FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,060 ØØ Thursday April 28 1983 D 8523 B

Iran: Western businessmen flock back, Page 20

NEWS SUMMARY

GENERAL

Reagan policies facing new tests

President Reagan's controversial Central American policies face two important tests in the next few days following his planned address last night to a joint session of the Senate and the House of Representatives.

The Senate foreign relations committee is putting the finishing touches to $50m urgent military aid for El Salvador – $60m less than the President asked for last month.

Today, the House's intelligence committee is to vote on legislation that would cut off funds for CIA *operations against Nicaragua and* substitute a $50m "overt" fund to help democratic governments combat *insurgent gunrunning.*

Committee chairman Edward Boland wants to give the CIA a 45-day *deadline for extricating itself from supporting* Nicaraguan rebels, but there is no certainty that he will be backed by his fellow Democrats. **Page 4**

Shultz mission

U.S. Secretary of State George Shultz opened new talks in Jerusalem about an Israeli withdrawal from Lebanon. **Page 3**

More Basque bombs

Three bombs caused considerable *damage* in the Basque country, two at Tolosa and one at San Sebastian.

Letter of the law

Punjab *state* police sent a registered letter to the Sikhs' Golden Temple at Amritsar calling for the surrender of a man wanted for killing an official. Indian police do not normally enter places of worship on duty.

Pilots sentenced

An Athens court sentenced a Swissair pilot to five years in jail and his co-pilot to two-and-a-half months for negligence in an Athens airport crash in which 14 people were killed.

Soviets rebuked

A Soviet ocean research vessel was escorted out of the port of Oslo after the captain had been fined NKr 8,000 ($1,150) for entering Norwegian waters without permission. Danish politicians postponed a trip to Moscow in protest against submarine incursions into Swedish waters.

Helsinki film ban

Helsinki has banned UK company Titus Productions from filming scenes there to depict Moscow in a film about Soviet dissident Andrei Sakharov.

New border victim

West Germany said another citizen had died under questioning by East German border officials. **Page 2**

Walesa at work

Lech Walesa, Polish workers' leader, resumed his job as an electrician in the Lenin shipyard, Gdansk.

Nkomo men held

Six aides of exiled Zimbabwe Opposition leader Joshua Nkomo were cleared of treason and law and order charges by the High Court in Harare, and immediately detained by police. **Earlier story, Page 3**

Briefly . . .

Saudi Arabia is reopening a thou*sand-year-old gold mine near Medi*na.

Jamaica closed state-owned Daily News, which had debts of J$4m ($2.3m).

San Francisco Mayor Dianne Feinstein defeated a move to dismiss her by five to one in a referendum.

BUSINESS

Mexico given boost by IMF

● INTERNATIONAL Monetary Fund has told Mexico's leading creditor banks that the country is well on course with its external payments targets this year. **Page 4.** Bank of Mexico said companies could reopen dollar accounts from Monday.

● DOLLAR rose to DM 2.451 (DM 2.4505), but eased to FFr 7.3435 (FFr 7.3475), SwFr 2.0555 (SwFr 2.056), and Y236.55 (Y237.5). Its Bank of England trade weighting was logged unchanged at 122.5. In New York, it closed at DM 2.4590; FFr 7.3725; SwFr 2.0610; and Y236.82. **Page 40**

● STERLING fell on profit-taking, *by 70 points to $1.566 and to DM* 3.84 (DM 3.8575), FFr 11.5 (FFr 11.555), SwFr 3.2225 (SwFr 3.2375), and Y370.75 (Y373.5). *Its trade-weighting fell from 84.6 to 84.2. In* New York, it closed at $1.5675. **Page 40**

● GOLD fell $4.5 in London to close at $431.5, by $1.5 in Frankfurt to $434.25, and by $1 in Zurich to $434.5. In New York, the Comex April settlement was $432 ($438). **Page 37**

● EEC confirmed steel price rises ranging from 2.6 to 3.2 per cent. **Page 2**

● LONDON: FT Industrial Ordinary index closed 33.8 up at 699. Some *Government securities* showed modest falls. **Page 33.**

● WALL STREET: Dow Jones index closed 1.06 down at 1,208.4. **Page 33.** Full share listings, **Pages 34-36.**

● TOKYO: Nikkei Dow advanced by 27.32 to a record 8634.79. Stock Exchange index rose 1.72 to 626.14 Report, Page 33, Leading prices, other exchanges, **Page 36.**

● *AUSTRALIAN* Government plans to enact wide powers to investigate nominee shareholdings in companies.

● GREECE has told the EEC that its economy is too weak to end protectionist measures in its tax system soon.

● AMERICAN pasta manufacturers have persuaded the U.S. Government to lodge unfair competition complaint with Gatt against Italian and other spaghetti makers. **Page 20**

● ITALY *signed* a contract for importing Algerian natural gas from a 2,500km pipeline from the desert, under the Mediterranean, and up to Bologna.

● COMPANHIA DO JARI, which took over the Amazon jungle interests of U.S. shipping financier Daniel Ludwig, lost Cr 52.3bn ($207m) in 1982, its first year under Brazilian ownership. **Page 21**

● *OPEL*, the West German *subsidiary* of General Motors, will continue to make capital investment of DM 1bn ($408m) a year *until 1986 at* least. **Page 21**

● NIPPON STEEL of Japan is to buy Special Metals Corporation, a unit of Allegheny International of the U.S. Terms have not been disclosed.

● TELERATE, the U.S. financial in*formation service* in which the UK Exco broking group has 49 per cent, was valued at more than $900m *when shares* were traded for the first time. **Page 20; Lex**

● CATERPILLAR Tractor of the U.S. is seeking to raise over $200m through an offer of 5m new shares, days after the end of a strike that crippled most of its *U.S.* operations for nearly seven months. The company expects to return to profit later this year and *plans capital* spending of $900m over the next two years.

● TWENTY companies making electronic still cameras in the U.S., Japan, and the Netherlands, agreed specifications for compatible magnetic tapes to be used. **Page 4.**

Wall Street leads world markets to a record day

BY OUR FOREIGN AND FINANCIAL STAFF

STOCK MARKETS around the world reached record levels yesterday after Wall Street set the ball rolling when the Dow Jones Industrial Average closed above 1,200 for the first time on Tuesday.

In Tokyo the Nikkei Dow *industrial* index closed at a new peak of 8,634.7, and in London the FT Industrial Ordinary Index breached 700 for the first time, before falling back to close at 699.0.

Wall Street itself drew new strength yesterday from promising quarterly profit figures for Ford and Exxon. More than 41m shares were traded in the first hour – the third highest hourly total recorded – and the Dow Jones Industrial average pushed on to a new peak of 1215.36, before slipping to close 1.06 *down at 1,208.4.*

In Europe, Frankfurt resumed its advance after Tuesday's lull and the Commerzbank index, 13.5 *ahead* at 965.6, topped Monday's previous 22-year peak. The *FAZ* index rose 3.54 to a record 321.63. In Paris, the previous day's broad decline was forgotten as the CAC general index moved back up to 118.80.

Advances were also seen in Belgium, Zurich, Milan and Stockholm.

In the Far East, Hong Kong went against the trend with shares mixed in thin trading. The weak local currency is making investors cautious, though a few bright spots allowed the Hang Seng index to gain 5.47 for a 1,033.76 close.

Despite some profit-taking in Singapore, shares were firm and the *Straits Times* index advanced 23.92 to this year's high of 958.67.

A day of hectic trading took shares *to another peak in Taipei.* The weighted stock index rose 4.07 to 741.32. This index has gained almost 300 points in the last three months and market capitalisation has risen by around 70 per cent.

The overnight strength of the Wall Street and Tokyo markets forced stockjobbers into marking higher prices when trading began in London yesterday. At 10am the FT Industrial Ordinary Index had jumped 8.9 points to stand at 704.1. However, there was no real weight of buying to keep the market at that level, *still* less carry on higher, and by the close the gain had been trimmed to 3.8 points.

The *London* equity market has been distinctly tentative in its approach to 700, with only moderate *trading volume in the last few days.* Yet it has taken only just over six months for the FT Ordinary to *cover the distance from 600, a* psychological barrier which had repelled numerous close approaches over a period of nearly ten years.

This advance undoubtedly reflects investors' growing belief in the economic recovery, which has at last begun to show through in surveys of business confidence as well as in the speeches of Treasury ministers.

However, some stockbrokers who have been buying the London market over the past two years in anticipation of the cyclical upswing, are starting to feel that the market may be nearing its peak.

Lex, Page 20; new records everywhere, Page 18; market prices and reports, Section III

Bonn accord on funds for new reactors

BY JONATHAN CARR IN BONN

WEST GERMANY's advanced nuclear reactor development programme has been saved from immi*nent collapse, thanks to an accord* between government and industry provide more funds.

The agreement, *announced* yesterday by Herr Heinz Riesenhuber, Technology Minister, means that both the fast-breeder and the high-temperature reactor projects seem certain to be completed.

Serious construction delays and cost overruns over the years had threatened to halt the programme altogether next month, when interim *finance* put up last autumn was exhausted.

The green light for the projects was immediately welcomed by the Federation of German Industry (BDI), which said a failure to proceed would *have meant untold dam*age for the country's reputation as a high-technology exporter.

Belgium and the *Netherlands will* also be relieved, as participants in the fast-breeder reactor *projecter* at *Kalkar – although both countries* must produce some extra money too.

Herr *Riesenhuber recalled* that when he became minister last October, following the government *change in Bonn, an extra DM 2.7bn* ($1.1bn) was needed to finance the fast breeder and another DM 1.3bn for the *high temperature reactor at* Schmehausen.

After months of negotiations, pri*vate industry and the utility compa*nies in particular had agreed to put up more than half the missing sum for the breeder and over *30 per cent* of that for the Schmehausen programme.

The Technology Ministry is put*ting up the biggest single slice of* funds for both projects, but Herr Riesenhuber said this *still account*ed *for less than 10 per cent of his* budget. Other important research projects were not threatened *because of the increased reactor ex*penditure.

One result of the new accord is that consumers may have to reckon with higher electricity prices as the power companies seek to cover part of their increased costs.

The programme, which began more than a decade ago in a *spirit* of great optimism, has *gradually* turned into a *financial nightmare* for all those concerned.

The high-temperature project, *THTR 300*, was approved in *1970* and was supposed to be ready for operation in 1977 at a cost of DM 673m. *It is now expected to be ready* in October, 1985, at a cost of DM 4bn, according to latest figures.

Construction of the fast breeder, SNR 300, was approved in 1972, and the project was supposed to be complete in 1979 at a cost of DM 1.5bn. The reactor is now expected to be commissioned in 1987 at a cost of DM 6.5bn.

In the long run, industry sees the THTR as a key source of heat for *coal gasification*, and the SNR 300 as a far more efficient user of uranium fuel.

But the companies are paying dearly – roughly 15 times more than seemed likely when the projects were begun. One major reason for the construction delays was growing political scepticism about *the value of the programme – above* all in the Social Democrat Party (SPD), senior partner in the previ*ous government coalition.*

LDCs may press for new IMF quotas rise

By Stewart Fleming in Washington

FINANCE MINISTERS *of* 24 lead*ing developing* countries were meeting in Washington yesterday amid *expectations that they could press for a further increase in IMF* quotas in order to help the developing world tackle its *financial* and *economic problems.*

Officials in Washington said the developing countries feared that even *if the industrialised world did* begin to pull out of recession this year, *structural* changes in the *world's economy would mean that* the developing countries would not benefit from the upturn as they used to. *In particular, it* is feared that commercial banks will remain cautious in the finance that they are willing to provide to the developing world.

Therefore, the developing countries are expected to put heavy emphasis on the need to strengthen the ability of multinational lending agencies *such* as the *IMF*, the World Bank and other development banks. Among the possibilities being canvassed *are moves to begin* the process of preparing for another increase in IMF quotas and in *IMF special drawing rights* (SDR).

Such a move might become controversial because the board of governors of the IMF has just adopted a resolution authorising an increase of 47.5 per cent in Fund quotas to SDR 90bn ($97.2bn) following moves earlier this year to accelerate decisions on increasing the Fund's resources. The decision was taken in view of the serious financial problems of several large developing countries and the strains these were beginning to put *on the IMF.*

Pöhl says U.S. not pressed for $ intervention

BY OUR BONN CORRESPONDENT

HERR Karl Otto Pöhl, president of the Bundesbank, has strongly rejected the idea that Japan and Europe are *together trying to force the U.S. to* intervene more heavily on the currency markets.

In a toughly worded speech to bankers yesterday in Frankfurt, Herr Pöhl said there was "absolutely no question" of such pressure on the U.S. as far as the West Germans were concerned.

"We are not against intervention on the currency markets in principle, but experience has taught us to be sceptical about its effectiveness," Herr Pöhl declared.

The Bundesbank leader was understood to be reacting to reports that the U.S. might come under pressure on the currency issue from the other six participants in the Western economic summit conference in Williamsburg, Virginia, on May 28.

France in particular – with a relatively weak currency and big balance-of-payments problems – is known to be keen to see the U.S. intervene more strongly to curb the upward flight of the dollar.

But Herr Pöhl *emphasised* that the key to a lower dollar level lay in a drop in U.S. interest rates, which *remained unusually high*, not in currency intervention.

He added that if anyone had grounds to complain about the dollar's strength it was the American themselves – who saw the price competitiveness of their products endangered, especially by the Japanese.

The U.S. interest rate cut, however, had not emerged "for well known reasons," Herr Pöhl said – a reference to the size of the U.S. federal budget deficit and business fears that inflation might surge up again before long.

In his speech, the Bundesbank leader underlined the need for a fall in dollar interest rates – not least to *reduce the debt problems* of the developing world. Each 1 percentage point fall in interest rates meant a *cut of $4bn in the annual debt bur*den of these states, Herr Pöhl stressed.

Despite these debt difficulties, Herr Pöhl came out strongly against "arm-twisting" of commercial banks by central banks, to provide more credit to the developing world.

He noted that in the last few months the International Monetary Fund (IMF) and some central banks had, "unusually," pressed the private bank sector to participate in new credit or rescheduling action.

"This was certainly justified in those cases in which the international financial system itself *seemed threatened," Herr Pöhl* said. But he added, "The banks themselves must decide for which *credits they feel they can take re*sponsibility. Neither the IMF nor a central bank can take that decision *away from* them."

This is the second recent warning by a central banker on the topic. A few days ago, Dr Fritz Leutwiler, president of the Swiss National Bank, expressed concern about pressure on the commercial banks to restore interbank credits to main debtor countries.

Feldstein sees basis for recovery, Page 2

Exxon and Ford show sharply improved earnings

By Richard Lambert and William Hall in New York

EXXON, the world's largest oil company, and Ford, *the second biggest* car producer in the U.S., reported sharp improvements in their first-quarter earnings yesterday.

Exxon's results were boosted by a jump in overseas earnings and Ford reported a big turnround in its North American automotive operations, which made their first profit *for four years.*

Exxon's results, showing a 26.3 per cent increase in net income to $1.06bn in the first quarter, were notably better than stock-market expectations as most investors had been expecting a *fall* in oil company profits. Ford's net income in the first quarter totalled $211.2m, compared *with a loss of 301.5m*, but that was in line with stock-market estimates.

In contrast to the majority of U.S. companies to report so far, Exxon's rise in first-quarter profits looks surprisingly good. *Mr C. C. Garvin,* Exxon Chairman, said that the operating environment of the petroleum industry remained unsettled but various steps taken by Exxon over the past year "to reduce operating costs, minimise excess capacity and re-size the *organisation* are producing beneficial results and these will continue."

Exxon's first-quarter improvement was largely attributed to its overseas petroleum exploration and production operations where earnings rose from $378m to $586m. Total revenue fell to $23.7bn from $26.84bn.

The company said that reduced exploration activity and related expenses together with higher produc*tion volumes of both crude oil and* natural gas contributed to the earnings rise.

In the *U.S.* earnings from petroleum exploration and production rose 6 per cent to $512m. Higher *prices for natural gas, with a 7 per* cent rise in crude oil production volume, were the main factors behind *the improvement.*

Exxon's first quarter earnings increase contrasts with falls of between 10 per cent and 35 per cent being reported by other U.S. oil companies. Exxon appears to be benefiting from its bigger *international* spread and its relatively smaller dependence on earnings from refining and marketing than some other U.S. companies.

Continued on Page 20

Other U.S. company news, Pages 21, 23

Portugal arranges $400m BIS loan

BY PETER MONTAGNON

PORTUGAL has raised a *$400m* short-term loan from the Bank for International Settlements (BIS) in Basle to tide it over its present acute shortage of foreign exchange liquidity.

The loan, which takes the form of a gold swap, comes at a sensitive time for Portugal, which is trying to balance its precarious external finances until a new coalition government to be formed by Socialist leader Sr Mario Soares can implement an economic austerity programme.

Portugal already has total foreign debts of some $13bn, and faces the need to finance a large $2.5bn balance-of-payments deficit this year.

Efforts to raise a $300m credit from commercial banks foundered ahead of Monday's elections, in which the Socialists emerged as the largest party but failed to gain an absolute parliamentary majority.

Last night, bankers in London were awaiting a formal mandate from Portugal to go ahead with the credit, *but* the money will not become available until the end of next month at the earliest. In July, Portugal is also expected to resume negotiations with the International *Monetary Fund for a substantial* loan.

News of the short-term loan from the BIS came *as a welcome relief to* the country's foreign bank creditors, who have been growing anxious over Portugal's tight liquidity situation, but it equally embarrassed the BIS, which has recently been trying to *extricate itself from* loan operations to sovereign countries.

Yesterday European central bankers were emphatic in stressing the difference between the Portuguese loan and other BIS loans to countries such as Mexico.

Portugal has arranged a gold swap, which means it has temporarily exchanged some of its 22m ounces of gold reserves with cash provided by the BIS. That is seen as normal BIS banking business with a shareholder central bank.

The Portuguese credit does not, therefore, mean that the BIS is reopening its loan window to all countries in severe balance-of-payments difficulties.

Warning to Eanes, Page 2
Euromarket report, Page 32

Call for new U.S. move on steel imports

By Nancy Dunne in New York

THE U.S. *International* Trade Commission (ITC) yesterday urged President Ronald Reagan to impose *country-by-country quotas* on imports of speciality steel products for the next three years.

In doing so, the commission has spurned the industry's request for five-year quotas, but a spokesman *for the domestic producers said the* industry was "very pleased" with the recommendation.

Speciality steel products represent about 10 per cent of the domestic steel industry. The ITC ruled on *March 24 that U.S. producers* have been injured by exports, most of which come from Japan, West Germany, Austria, the UK, France, Sweden and Spain.

The president has 60 days to decide whether to accept, *reject* or modify the recommendation. If he rejects or modifies it, Congress would then have 90 *days to overrule* him.

The ITC ruling might set the stage for a new round of talks between the U.S. and EEC officials leading to the 1982 carbon steel

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CONTENTS

W. Germany supports France's austerity

By David Marsh in Paris

SUPPORT for the French Government's programme of austerity measures to safeguard the franc was voiced in Paris yesterday by Dr Wilfried Guth, joint managing board spokesman of Deutsche Bank, West Germany's largest bank.

Dr Guth said West Germany wanted "very much" to maintain its partnership with France in the European Monetary System and the policies just adopted by M Jacques Delors, the French Finance Minister, "look helpful in that direction."

His comments came as a report from Insee, the official French statistics body, emphasised the deflationary effects of the French measures.

According to Insee, living standards measured by real disposable incomes will fall by 1.3 per cent this year taking account of the effects of the obligatory loan the government is asking taxpayers to subscribe this summer.

Manufacturing output is forecast to fall by 2.5 per cent while unemployment—which has been hovering around 2m for several months — could reach 2.2m by the end of the year.

Insee said France's trade deficit—which the government originally wanted to halve this year from last year's FFr 93bn (£8.3bn) — would reach FFr 50bn only in the most favourable circumstances.

This improvement is expected to result from a 1 to 2 per cent increase in export volume and a 1 to 2 per cent fall in imports.

Dr Guth, speaking at a lunch organised by the International Chamber of Commerce, characterised the French moves on the whole as "classical" market economy measures. The exception was the "dirigistic" curb on tourist spending abroad.

Dr Guth said the fact that the French measures had been criticised from both the Left and Right could be proof that they were in the right direction.

French lose confidence in Mitterrand package

BY DAVID HOUSEGO IN PARIS

THE STORM CLOUDS have appeared almost out of nowhere. Hospital doctors and medical students have been on strike for several weeks; angry Breton farmers smashed property at the weekend in the West of France in support of higher pig prices and on Tuesday descended on Paris; road hauliers are preparing a protest against an increase in diesel prices and now the unrest has spread to the universities.

All the main industrial unions, responding mainly to rank and file displeasure at last month's austerity measures, have called for work stoppages in the coming weeks.

The Right-wing daily Le Figaro, which has relentlessly campaigned to bring down the Socialist administration, ran up its flag on the barricades on Monday with a front page headline that proclaimed "Revolt." Both Le Monde and the pro-Socialist Le Matin have carried front page analyses this week on the risks of a social explosion like that of May 1968 which sounded the death knell of General de Gaulle's regime.

There is no doubt that many of the neo-Gaullist followers of M Jacques Chirac, Mayor of Paris, hope that all this discontent will coalesce to force the Government into early elections. Against this President Francois Mitterrand made clear during his tour of the North this week that he intends to uphold the authority of the state.

Officials expect that demonstrations will gather in momentum during the summer as the austerity measures—the 10 per cent additional levy on tax bills, the 1 per cent increase in income tax and higher public utility tariffs—cut into spending power just before people leave on holiday.

Before the package would bear fruit, there would be six difficult months, M Jacques Delors, the Finance Minister, predicted last week. What makes the Government's task harder is that while there is every sign that the French have taken on board the consequences of the international recession, there is little sign that they have much confidence in the austerity package or in the administration responsible for it.

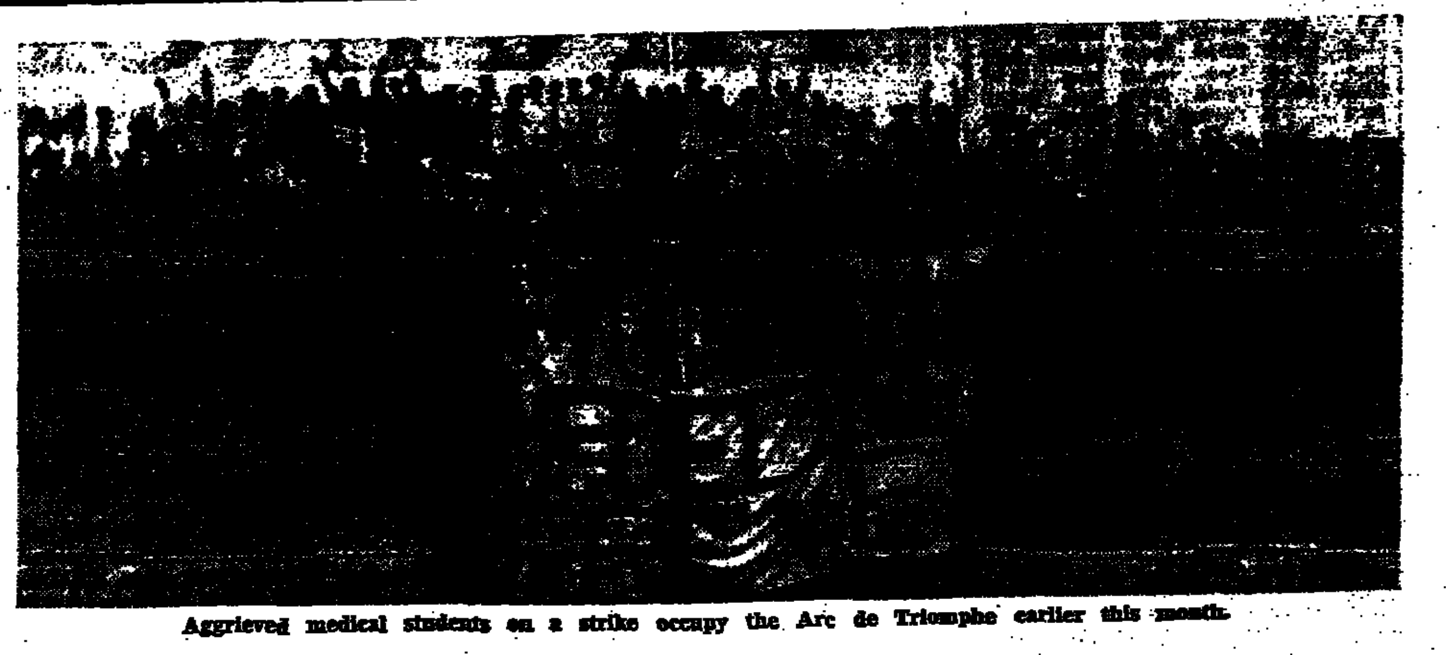
"It's failed before it's started," said one commentator normally sympathetic to the Socialists last week. Such pessimism is not shared by bankers or economists, many of whom were impressed by the severity of the stabilisation measures and their likely long-term impact.

Two factors have given an added jolt to the loss of confidence in the Government's programme. The first has been the strength of the dollar, which has appreciated by between 7 per cent and 8 per cent against the franc since before the realignment of the European Monetary System. The effect of this has been further to push up inflation and potentially wipe out much of the FFr 25bn (£2.2bn) of import savings the Government had hoped to achieve by depressing demand.

Thus progress towards the target of halving last year's FFr 93bn trade deficit by the end of 1983 has already slipped by four months, and the inflation rate is now expected to be over 8 per cent by the end of the year. With that prospect has come the possibility of an earlier than expected devaluation, renewed speculation against the franc and an extension of overseas borrowing.

The second jolt has been the cold water poured on the plans by the Government's supporters. M George Marchais, the Communist leader, said on Monday that the plan was not "of the sort, in its present form, that could solve the major problems: employment, inflation, external trade."

More embarrassing has been the fig-leaf of support for the Government offered by the Socialist Radicals, behind which they have tucked their deep hostility to many of the main proposals. M Christian Goux, the Socialist chairman of the Finance Commission of the National Assembly, has said that by deflating demand the Government has jeopardised its employment objectives.



Aggrieved medical students on a strike occupy the Arc de Triomphe earlier this month.

This twin assault explains the unusually waspish tone in which M Delors last week rounded on both the U.S. and his domestic critics. He finds himself somewhat alone in the Socialist Party and his relations with M Pierre Mauroy, the Prime Minister, were strained last month during the realignment crisis.

It was to offset this image of a divided administration and to reinforce the authority of the Government that M Mitterrand for the first time this week threw his support behind the stabilisation measures. But M Mitterrand, as the public opinion polls show, has also seen his popularity dwindle.

Demonstrating that its policies are working and regaining public confidence are critical to the success of the second half of the government's programme. In the autumn, negotiations with the unions will begin on bringing down wage settlements from a notional 8 per cent this year to 5 per cent next in line with the inflation target. The Government cannot afford to start negotiations amid widespread industrial unrest or with the inflation rate and the trade deficit coming down too slowly.

Also in the autumn, M Jean-Pierre Chevenement, the former Industry Minister is expected to propose at the Socialist Party Congress an alternative programme reflecting his belief in greater intervention, maintaining purchasing power and directly limiting imports. The Government will have much less difficulty in throwing off this challenge, as well as the other protectionist lobbies within the party, if it can point to the success of its policies.

It cannot expect any substantial improvement much before the autumn however, so the possibility of further restrictive measures has now emerged. M Delors mentioned as much last week when he spoke of the need for "an additional effort" if the dollar continued to remain as strong.

He has always ruled out import curbs and apparently promised the Germans in Brussels that they would not be introduced. But a further deflation of demand would be unacceptable to the Communists and probably to most of the Socialist Party.

Import deposit schemes and other discreet inflationary measures are still being pressed on the Government as the more acceptable temporary alternative. The temptation to use them would be greater if West Germany remained deaf to the French arguments to dismantle the Monetary Compensation Amounts (MCA's) which boost German food exports and are at the root of French farmers' complaints.

In March, M Mitterrand recoiled from pulling France out of the EMS and from reversing the country's post war policy of open trading frontiers. That still remains his fundamental conviction and the basis of present policy. The risk of the austerity measures failing is that he will have to look that choice in the face again.

Balsemao warning to Eanes

By Diana Smith in Lisbon

PORTUGAL'S outgoing Premier Sr Francisco Pinto Balsemao has warned the President of the republic that he will not stay in office for more than 30 days. The President has been told that if a new cabinet is not formed by then, he must appoint a provisional administration.

Sr Balsemao resigned from office last December but was compelled to stay on when President Antonio Ramalho Eanes rejected a weak substitute cabinet and called April elections. His centre-right coalition has come under fierce criticism for indifferent handling of Portugal's financial problems.

Sr Balsemao's ultimatum would be less worrying were it not that it could take Sr Mario Soares, whose Socialist party received a qualified majority of 36.3 per cent in Monday's general election, several weeks to form a coalition.

Sr Soares has begun to consult the Socialist rank-and-file on the feasibility of an alliance with the Social Democrats, runners-up in the election. But the greatest stumbling-block to a rapidly-formed coalition appears to be the Social Democrat Party itself.

Part of it is deeply conservative and opposed to an alliance with Socialists. Internal debate will be long and arduous, and this implies a moratorium on curative measures for a crippled economy that Portugal can ill-afford.

U.S. seeks pledges from CoCom

By Bridget Bloom,

THE U.S. has proposed controversial measures to stem the flow of Western high technology to the Soviet bloc.

The measures, including an extension of the list of banned exports, will be discussed today and tomorrow at a high-level meeting of CoCom, the shadowy Paris-based organisation which coordinates the Western embargo of exports to the Communist world.

According to U.S. officials in Washington, the U.S. is also seeking a firm and unambiguous pledge that its CoCom partners will increase the organisation's budget and strengthen its staff.

The U.S. wants CoCom to appoint a military committee charged specifically with overseeing high-technology exports which have both civilian and military applications.

The U.S. proposals before CoCom—full name the Coordinating Committee for Multilateral Export Controls—are being resisted by its other members. These are all Nato countries except for Iceland and Spain, plus Japan.

European members of CoCom accept the U.S. contention that the Soviet military build-up has been helped by technology transfers and that controls could be more effective. However, they fear the effects on legitimate trade of more rigid controls, especially of a supranational nature.

Europe is especially sensitive about the U.S. proposals given its opposition to current moves to amend the U.S. Export Administration Act—the legislation used last summer to impose U.S. sanctions on companies involved in the Siberian pipeline.

While European governments appear anxious to avoid an outright row over CoCom, there appears little room for compromise on the U.S. proposals.

● The Confederation of British Industry has called on the U.S. Administration and Congress to abandon or severely restrict the use of controls on overseas trade for foreign policy reasons.

Feldstein sees basis for recovery

BY OUR PARIS STAFF

THE U.S. Government will make clear to other industrialised countries in talks starting in Paris today that an expected U.S. growth rate of 4 to 5 per cent this year should help lay a solid basis for world economic recovery.

But Washington will not be offering any fresh measures to curb the high level of the dollar, which is seen — particularly by France — as a deflationary influence.

This was disclosed in Paris yesterday by Dr Martin Feldstein, chairman of President Reagan's council of economic advisers, who will be chairing a two-day meeting of policy-making officials at the Organisation for Economic Co-operation and Development starting today.

The OECD secretariat is thought to be more optimistic about the world economic outlook than when it last published its forecasts in December. It now believes growth in the industrialised world could approach 2 per cent this year compared with the predicted growth rate of 1.5 per cent four months ago.

The better prospects for expansion are, above all, due to sharper than expected recovery in the U.S.

Dr Feldstein again emphasised the importance of cutting the U.S. budget deficit as the key to reducing the "very high" level both of real interest rates and of the dollar.

He emphasised that the Reagan Administration was seeking tax increases as a way of reducing the budget deficit. But he admitted that these would not come before the years beyond 1983-84 since 1984—the year of the Presidential election campaign—was "not a good year to raise taxes."

On the question of U.S. intervention on the foreign exchanges to help curb fluctuations of the dollar, Dr Feldstein said there would be no change in fundamental U.S. policy.

It was disclosed yesterday that M Jacques Delors, the French Finance Minister, who has been the main sponsor of the report, will not be attending the meeting because of pressure of work.

German states uneasy after second border death

BY JAMES BUCHAN IN BONN

THE TWO German states are trying to limit damage to their relations despite the death on Tuesday of a second West German citizen while under questioning at an East German frontier point.

The East Berlin authorities, showing signs of embarrassment, telephone Bonn's permanent representative yesterday to invite an observer to Wartha where Herr Heinz Moldenhauer, 68, died during a customs inspection after a day-trip from his home in Hesse.

On April 10, Herr Rudolf Burkert, 43, a West German travelling the motorway to Berlin, died during questioning at the Drewitz frontier post.

Despite the repetition of events, efforts by Herr Franz-Josef Strauss and members of his Christian Social Union in Munich to dictate a harder line in inter-German relations seem doomed.

Herr Strauss claimed Herr Burkert was murdered and other CSU officials in Munich attacked the small Free Democrat Party in the coalition as blocking a long-overdue revision of relations with East Berlin.

However, on Tuesday, a West German public prosecutor, quoted medical examinations from both countries as ruling out violence on Herr Burkert, who had a history of heart trouble.

Italy may go to polls in June

By Rupert Cornwell in Rome

SIG AMINTORE FANFANI, the Italian Prime Minister, today initiates the process expected to culminate in general elections a year before they would theoretically fall due, probably on June 19, but possibly on June 26.

Sig Fanfani will take his government's by now hopeless case before the Senate. Once it is clear that the Socialists have withdrawn their support, he will formally present his resignation to President Sandro Pertini, probably at the weekend.

The head of state has indicated that he will carry out speedy consultations, after which he will sign the decree dissolving parliament. Sig Fanfani will, therefore, continue as caretaker Prime Minister with his present team of ministers, until a new government—Italy's 44th since the war—is formed after the elections.

The Christian Democrats have made known their preference for the earlier date, leaving just regional elections in the Valle d'Aosta and Friuli in the north for June 26. This would imply that President Pertini signs the decree by next Wednesday.

Meanwhile, Chancellor Helmut Kohl of West Germany was arriving in Rome yesterday for talks before the European Council of Ministers' meeting scheduled for Stuttgart in June.

Danish opposition leaders postpone Moscow visit

BY HILARY BARNES IN COPENHAGEN

LEADERS OF the opposition Danish Social Democratic Party have postponed a visit to Moscow next week following Sweden's allegations about the activities of Soviet submarines in Swedish inshore waters.

The Social Democrats were expecting to meet members of the Supreme Soviet and to discuss security issues, including intermediate-range missiles.

Mr Kjeld Olesen, former Foreign Minister, emphasised that the Moscow visit had been postponed, not cancelled. "A dialogue remains necessary," he said, adding that it would lead to misunderstandings if the visit was to take place now. He described the Soviet submarine activities as "totally unacceptable."

Reuter adds from Moscow: The official Soviet News Agency Tass yesterday angrily rejected the report that six Soviet submarines were in its territorial waters last autumn.

"It is necessary to underline categorically the complete lack of any foundation for these allegations," Tass said in Moscow's first reaction to the Swedish Government's charges.

Dutch gas sales hit 10-year low

BY WALTER ELLIS IN AMSTERDAM

SALES OF natural gas in the Netherlands fell last year by 12 per cent, to a new, 10-year low of 70.8bn cubic metres, and prospects for 1983 are for very little improvement.

The Dutch Government is to a considerable extent dependent on gas revenues. Last year, some Fl 21bn (£4.8bn) in tax and royalties was transferred from Gasunie, the Dutch gas corporation, to the state, and without that contribution—accounting for around 15 per cent of total government spending—it would have been impossible to maintain the country's elaborate social welfare system at anything like today's levels.

The situation this year is that gas revenues are expected to fall Fl 1.75bn short of last September's forecast. Mr Herman Ruding, the Finance Minister, confirmed recently during the presentation of his spring budget that the decline in gas earnings was largely responsible for the extra Fl 2 bn in spending cuts

By 1986, on present projections, the revenue yield from gas will have fallen Fl 6bn short of 1982 forecasts.

Net profit at Gasunie—in which the Dutch state has a 40 per cent stake and Shell and Esso 25 per cent each—came to Fl 80m.

Expressed in money terms, sales of natural gas rose last year from the 1981 figure of Fl 25.9bn to Fl 26.7bn. This followed a 17 per cent rise in prices agreed at the time with major customers. This year, although prices have remained steady, oil prices, to which gas prices are tied, have fallen substantially, so that new contracts may have to be negotiated at the end of the year. Gasunie maintains, however, that as there is still a differential in gas's favour of 10 guilder cents per cubic metre, oil would have to come down further before it would have a depressive effect on gas pricing.

European Parliament to back current economic policies

BY JOHN WYLES IN BRUSSELS

THE directly-elected European Parliament met in Brussels for the first time in its history yesterday to prepare the somewhat comforting message for EEC member governments that it saw no real alternative to their present macro-economic policies.

When the Parliament's special plenary session—devoted exclusively to unemployment—winds up today, the majority of MEPs are expected to back calls for policies to make EEC economies more competitive. A reduction in working times and more training and job creation for the young are also expected to be agreed as well as a much more determined development of the Community's internal market and its European Monetary System.

This approach is regarded with some disgust by many left-wingers, particularly in the British Labour Party, who see it as offering little hope for the EEC's 12.1m unemployed. However, it represents the consensus among the Parliament's centre-right majority which has successfully fought off left-wing attempts to propose more radical policies for debate in the Chamber.

But majority opinions on the Left is somewhat to the right of the British Labour Party. The Parliament's Socialist Group has tabled a comprehensive 50-clause amendment to the main Christian-Democrat drafted resolution on unemployment which is markedly orthodox in its heavy stress on the need for economic restructuring.

The amendment looks doomed to fail, however, because it runs against the current conventional wisdom in most member governments by urging a "concerted reflationary policy." It also puts a much higher priority than most governments on modernising and preserving basic industries such as steel, shipbuilding and textiles.

The Parliament's main report on unemployment conjured up the need for a new EEC phenomenon, the "Employment Pact." This has caused something of a paroxysm within Britain's Confederation of British Industry, whose Brussels representative, Mr Steve Rankin, stepped out of his quiet obscurity to issue a statement dripping with venom.

The employment pact was a "gimmick," said Mr Rankin with the full blessing of his London masters, while the special session would actually hamper economic revival with its "unsubstantiated and alarmist generalisations."

Mr Gaston Thorn, the European Commission President, and his colleague Mr Ivor Richard, the Commissioner for Social Affairs, took a different view. Both welcomed the special session, not least because they could argue that the Commission had tabled proposals covering a good many of the demands which look likely to be adopted

Pressure grows for Ecu revaluation

By Larry Klinger in Luxembourg

EUROPEAN Community pressure on Britain was increasing last night for it to drop its reservations over an EEC monetary scheme that might break the deadlock over the fixing of new guranteed prices for Europe's 8m farmers.

As the EEC Council of Farm Ministers resumed its marathon price-fixing talks in Luxembourg, only Britain had expressed serious opposition to West Germany's call for a 1 per cent revaluation of the European currency unit, the Ecu.

This would incorporate sterling's 8 per cent market appreciation since last month's realignment within the European Monetary System (EMS).

If the scheme was approved, parallel changes in the EEC's "green currency" system would give Bonn the opportunity to increase the proposed unacceptable prices rise for its farmers.

Under current proposals, the West German farmer would receive only about one-sixth of the average EEC rise under consideration.

Britain has consistently opposed similar monetary plans, but many of the member states hope that Britain's reluctance to accept the scheme is basically tactical.

Hilary Barnes in Copenhagen adds: Ess-Food, the Danish pigmeat export association, has temporarily suspended its exports to Brittany, after French farmers burnt one of its trucks and its contents of 18 tonnes of meat.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

EEC confirms steel price rises of 2.6% to 3.2%

BY PAUL CHEESERIGHT IN GENEVA

EFFORTS by the European Commission to stabilise the EEC steel market have led to the imposition of price rises ranging between 2.6 and 3.2 per cent.

The rises, foreshadowed on Monday and confirmed yesterday in detail, came as the Luxembourg Government prepared to introduce a range of tax increases to support the tiny country's principal exporter, Arbed, the loss-making steel group.

The price rises were formally announced following a meeting on Tuesday evening between the Commission and steel users from EEC countries. The users were said to have put up a token resistance against the price rises

But the price rises are not likely to help Arbed to any great degree. Last week, the group informed shareholders of a LuxFr 4.3bn (£56m) loss and said that its main problem is not prices but insufficient sales.

The Luxembourg Government has agreed with Arbed and the steel unions to raise value aded tax from 10 to 12 per cent, bringing in LuxFr 2bn (£26m) a year, and to increase social security taxes from 6.6 to 12 per cent.

Also, to obtain extra revenue to help the steel group, there is a plan to raise taxes on tobacco, alcohol, telephone calls and petrol. But the three parties to the agreement have failed to agree on wages indexation.

A further meeting is expected soon to arrange a financial package which would come into effect on July 1.

The steel price rises throughout the EEC come into effect on May 15. They are described by the Commission as part of an attempt to bring prices back to the levels prevailing before a slump last summer.

The last general price rises were in January and for reinforcing bars, wire rods and merchant bars in April.

The latest rise is thought by analysts to be closely linked to the confusion on the market caused by the existence of German prices well above the Commission minima and French prices well below.

This put pressure on the Commission to bring the minimum price level up. This, said the analysts, will create problems in France where the effective price rise will not be 2.6-3.2 per cent but closer to 9-10 per cent.

The rise will mean, according to the Commission, that French prices will not be more than DM 30-35 (£7.70-£9) a tonne lower than German prices depending on the product.

EEC STEEL GUIDANCE PRICES
(per tonne)

Products	Guidance prices in ECU 1.4.83	Guidance prices in ECU 15.5.83	Increase %
Hot rolled coils	370	380	2.75
Hot rolled narrow strips	370	380	2.75
Hot rolled sheets from coils	370	380	2.75
Medium and heavy plates (from plate mill)	387	397	2.60
Cold rolled sheets (coils)	446	459	3.00
Wire rod for welding mesh (fence wire)	279	287	2.75
Wire rod for drawing	345	354	2.75
Ribbed reinforcing bars	249	256	2.75
Merchant bars—Cat 1	266	273	2.75
—Cat 2	322	331	2.75
—free cutting	429	442	3.00
Beams, sections and joists—Cat 1	317	326	2.75
—Cat 2a	347	357	2.75
—Cat 2b	386	398	3.00
—Cat 2c	433	446	3.00
—Cat 3	446	459	3.00
Galvanised sheet	502	518	3.20
Electro-galvanised sheet	480	495	3.20

BASE LENDING RATES

A.B.N. Bank	10 %	Grindlays Bank	‡10 %
Al Baraka International	10 %	■ Guinness Mahon	10 %
Allied Irish Bank	10 %	■ Hambros Bank	10 %
Amro Bank	10 %	Heritable & Gen. Trust	10 %
Henry Ansbacher	10 %	■ Hill Samuel	§10 %
Arbuthnot Latham	10 %	C. Hoare & Co.	†10 %
Armco Trust Ltd.	10 %	Hongkong & Shanghai	10 %
Associates Cap. Corp.	10 %	Kingsnorth Trust Ltd.	12 %
Banco de Bilbao	10 %	Knowsley & Co. Ltd.	10½%
Bank Hapoalim BM	10 %	Lloyds Bank	10 %
BCCI	10 %	Mallinhall Limited	10 %
Bank of Ireland	10 %	Edward Manson & Co.	11½%
Bank Leumi (UK) plc	10 %	Midland Bank	10 %
Bank of Cyprus	10 %	■ Morgan Grenfell	10 %
Bank Street Sec. Ltd.	10½%	National Westminster	10 %
Banque Belge Ltd.	10 %	Norwich Gen. Tst.	10 %
Banque du Rhone	11 %	P. S. Refson & Co.	10 %
Barclays Bank	10 %	Roxburghe Guarantee	10½%
Beneficial Trust Ltd.	11 %	Royal Trust Co. Canada	10 %
Bremar Holdings Ltd.	11 %	Slavenburg's Bank	10 %
Brit. Bank of Mid. East	10 %	Standard Chartered	‖10 %
■ Brown Shipley	10½%	Trade Dev. Bank	10 %
Canada Perm't Trust	11 %	Trustee Savings Bank	10 %
Castle Court Trust Ltd.	10½%	TCB	10 %
Cayzer Ltd.	10 %	United Bank of Kuwait	10 %
Cedar Holdings	10 %	Volkskas Intl. Ltd.	10 %
■ Charterhouse Japhet	10 %	Westpac Banking Corp.	10 %
Choulartons	11 %	Whiteaway Laidlaw	10½%
Citibank Savings	¶10 %	Williams & Glyn's	10 %
Clydesdale Bank	10 %	Wintrust Secs. Ltd.	10 %
C. E. Coates	10½%	Yorkshire Bank	10 %
Comm. Bk. of N. East	10 %		
Consolidated Credits	10½%		
Co-operative Bank	*10 %		
The Cyprus Popular Bk.	10 %		
Duncan Lawrie	10 %		
E. T. Trust	10½%		
Exeter Trust Ltd.	11 %		
First Nat. Fin. Corp.	13 %		
First Nat. Secs. Ltd.	13 %		
Robert Fraser	10½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6.75%, 1-month 7.00%. Short-term £8,000/12-months 9.25%.
† 7-day deposits on sums of: under £10,000 6¾%, £10,000 up to £50,000 7¾%, £50,000 and over 8½%.
‡ Call deposits £1,000 and over 6¾%.
‖ 21-day deposits over £7,000 7¾%.
§ Demand deposits 6¾%.
¶ Mortgage base rate.

Change of economic strategy for Frelimo

By Quentin Peel, Africa Editor

MOZAMBIQUE'S ruling Marxist party, Frelimo, has proposed important changes in its economic policy, putting new emphasis on peasant farming and small-scale projects, following a sharp decline in both agricultural and industrial output.

Farmers have been given too little incentive to market their crops, state farms are too big to manage efficiently, and there has been too little encouragement of peasant co-operatives, according to the report of the party's central committee presented by President Samora Machel to the Fourth Party Congress taking place in Maputo.

As a result, agricultural output has failed to keep pace with population growth over the past six years—a failing in common with a number of other African countries—and actually fell in real terms between 1981-82.

The report gives rare details of the state of the Mozambique economy, which has been hit by the combined effects of drought, widespread disruption caused by dissident guerrillas, and still suffers from the after effects of the mass exodus of Portuguese settlers at the time of independence in 1975.

Although total production increased by 11.6 per cent between 1977 and 1981, agricultural output fell by 2.4 per cent between 1981-82, while industrial production also fell by 2.2 per cent in the same period.

The central committee says new emphasis must now be given to the "co-operative, family and private sector" in agriculture, while the state sector must be reorganised and consolidated. It also calls for credit to be given to private farmers who show they have "the capacity for work, management and initiative."

The report underlines the advances of the Frelimo government in the fields of health and education. The targets of a national vaccination campaign were overfulfilled, it says, while infant mortality in towns has dropped from 150 per thousand in 1975 to 80 per thousand in 1982.

Nkomo's men cleared of arms charges

HARARE—Mr Dumiso Dabengwa, intelligence chief for opposition leader Joshua Nkomo *during* Zimbabwe's seven-year independence war, was found innocent of a capital charge of treason in the Harare High Court yesterday.

He and five other officials of Mr Nkomo's Zimbabwe African People's Union were also acquitted of illegal possession of arms.

One other official was convicted and all seven accused remained in custody after the judge, Hilary Squires, delivered his three and a half hour judgment.

Court officials said the defendants would be freed only when authorities receive warrants of liberation from Home Affairs Minister Herbert Ushewokunze who ordered the detention of the seven a year ago.

AP

Shultz begins talks in Jerusalem with low-key review

BY DAVID LENNON IN TEL AVIV

MR GEORGE SHULTZ, U.S. Secretary of State, began talks in Jerusalem on Israeli withdrawal from Lebanon but after the first working session an Israeli official said that "it would be wrong to think that an agreement is *imminent*." He *also* warned that *Israel would* not withdraw its troops from Lebanon unless Syria pulls out its forces.

Mr Shultz began his negotiations here on a low key, spending three hours listening to Mr Yitzhak Shamir, the foreign minister, and other *Israeli officials reiterate Israel's* conditions for withdrawal.

The lack of urgency that surrounded yesterday's talks may derive from the fact that Mr Shultz has let it be known that he *is* willing to spend as long as is necessary in the region *to* resolve the Lebanese issue. *This, he* has indicated, would be a forerunner to initiating talks on resolving the more intractable Palestinian problem.

The American diplomat did not present any new ideas and according to the Israeli officials made it clear that he intended to begin *his Middle Eastern tour* by finding out first hand in Jerusalem and Beirut exactly what problems are holding up an agreement.

On arrival in Israel, the Secretary of State said: "Our immediate task is bringing peace to Lebanon, restoring Lebanese sovereignty, withdrawing all foreign forces and ensuring peace and security on your northern border." Noting that there are still a number of difficult issues to be resolved, Mr Shultz said: "So much has already been accomplished in this negotiation that none of us can allow it to fail."

The first issue brought up by Israel was the future role of rebel Lebanese major Saad Haddad and his troops in the security arrangements to prevail in southern Lebanon after an Israeli withdrawal.

The Israeli team also stressed the need for the free movement *of goods* and people across the Lebanon-Israel border and also explained their objections to granting any important security role to UN forces in southern Lebanon.

Because Mr Shultz had said before arriving here from Cairo that the U.S. would consider providing more American troops to police Lebanon, the Israelis explained that they preferred "to take care of our own security" rather than relying on troops of other nations.

Despite a further incident between Israeli and Syrian troops in eastern Lebanon yesterday, the question of the tension between these two armies was not discussed at the opening meeting.

However, it was expected that this issue might be raised during Mr Shultz's first meeting last night with Mr Menachem Begin, the Prime Minister. Mr Shultz is scheduled to have another meeting with the premier this morning, possibly also attended by the foreign and defence ministers, before going to Beirut for talks with the Lebanese leaders.

Reuter adds from Beirut: Mr Shultz will visit Damascus during his Middle East tour and meet Syrian President Hafez al-Assad, the pro-Syrian daily Al-Sharq reported yesterday.

A U.S. Embassy spokesman in Beirut declined to comment on the report, saying Shultz's itinerary could not be revealed for security reasons.

Profile of Shultz, Page 4

Gulf oil slick could damage Kharg tankers

BY KATHLEEN EVANS IN TEHRAN, MARY FRINGS IN BAHRAIN AND PATRICK COCKBURN IN LONDON

THERE IS growing concern in Tehran that the oil slick in the Gulf will eventually affect Iran's oil exports. The problems for tankers is that, if the oil reaches the main export terminal at Kharg, their coolant systems could be damaged by taking in oil with seawater. The slick has not yet reached Kharg but Western oil companies say they are conscious of the potential danger.

Meanwhile, the conference of eight gulf states meeting in Kuwait yesterday for the third time failed to reach any agreement because of the wide differences separating Iraq and Iran. The chairman of the conference, Mr Ali Shams Ardanaki, Iran's ambassador to Kuwait, said: "We have still not agreed on procedure. We are going to meet again soon."

The difficulty for tankers is that in a very large crude carrier, the seawater is normally pumped from near the keel, some 65 ft below the surface. Heavy oil escaping from Iran's damaged oil wells at Nowruz could conceivably be sucked in by tankers, according to oil companies. Small tankers and other vessels are even more at risk.

Iranian oil officials in Tehran are still poker-faced and unresponsive to questions about the possible future effects of pollution at Kharg, but diplomats say the prospect is clearly worrying the Government.

The possibility of difficulties at Kharg is all the more important because Iran is currently negotiating new oil contracts with Japanese companies, in the past the largest purchasers of Iranian crude. Some buyers of Iranian oil are demanding discounts because of the threat posed by the oil slick.

The extent of the pollution in the Gulf remains a mystery. Saudi Arabia says that satellite pictures show the slick extending from the Iranian oilfields, 50 miles off the Iranian coast, to the east coast of Qatar, 250 miles away.

But there was no sign yesterday of the slick. Observers on the regular helicopter surveillance flight saw only light patches of sheen. They also counted three turtles, six dolphins and a shoal of large fish, all alive and swimming vigorously.

On Monday an experienced oil spotter from Bahrain's meteorological service reported a significant area of sheen leaching from a *few* breakaway patches of heavy oil. These drifting patches have been affecting Bahrain, Saudi Arabia and Qatar over the past two weeks due to fickle weather conditions, but stronger winds and heavy waves quickly break them up into pieces the size and consistency of Pontefract cakes, which then accummulate on the beaches with the tide. They could be sucked into the water intake of small inshore work boats, but otherwise have mainly nuisance value.

Experts believe there is little danger of heavy pollution while the weather remains changeable, although it may be a different story when the summer "shamal" season sets in, with its prevailing northerly winds.

Nevertheless Saudi Arabia has now set up a high level committee to deal with the threat of the slick. Al Khobar desalination plant has been closed down and booms are being erected to cope with pollution.

For the moment, there seems to be little chance of the wells being capped. Iraq continues to hope that a limited ceasefire to deal with the damaged wells will be extended to a more general detente, while Iran wants only to have a limited ceasefire to cover the safety of the teams to be sent to Nowruz.

Further conflict between Israelis and Syrians

DAMASCUS — Syria said yesterday its forces had opened fire for the second day running on Israeli vehicles which tried to advance into no-man's land in Lebanon's eastern Bekaa valley.

A military spokesman said a bulldozer and two armoured personnel carriers moved 400 metres towards Syrian lines and tried to erect fortifications, but were forced to retreat.

The incident happened at the *outpost of al-Saalouk, the area where Syria said it* beat off a similar Israeli attempt to build advance fortifications earlier this week.

Israel dismissed the encounter as a "non-incident" and said its troops had not returned fire.

The Syrian spokesman described the incident as a provocation. In recent days Syria's state-run media has accused Israeli troops of preparing to attack on the Lebanon front, which has been relatively quiet since the two armies fought a brief war at the start of Israel's invasion of Lebanon last summer.

An Israeli army spokesman in the Beirut suburb of Yarze confirmed the shooting, but said the bulldozers did not pull back. He said one round of light arms fire and one unidentified shell were fired from the Syrian side, but no Israelis were hurt and the bulldozers continued their work.

He played down the significance of the Syrian communique, saying: "The only thing we find interesting is that *somebody should bother to publicise this.*"

Agencies

Israel's debt rises to $28bn

BY DAVID LENNON IN TEL AVIV

ISRAEL'S EXTERNAL debt has risen by 25 per cent in the past two years, and at the end of 1982 stood at $28bn gross. After deducting the foreign currency assets held by the Bank of Israel, and the commercial banks, the net indebtedness was $15.5bn.

This is $2bn higher than the previous year's figure, according to the central bureau of statistics. Contributing to the increase was the record balance of payments deficit, which rose to $4.7bn, $400m above the 1981 figure. This increase came despite a $640m decline in defence imports and the falling cost of fuel imports.

Other contributory factors were a $300m *fall in* exports and a $400m increase in interest payments on foreign loans. There was also a $100m decline in revenue from incoming tourists, while Israelis travelling abroad spent $650m, some $30m up on 1981, despite the disruption caused by the war in Lebanon.

In an urgent Knesset motion *this* week, the opposition Labour party's economic spokesman, Mr Gad Ya'acobi, warned that this year the balance of payments deficit could approach $6bn despite projected savings of $500m because of the falling price of crude oil.

The balance of payments deficit worsened again in the first quarter of this year but Mr Yoram Aridor, the Finance Minister, rejected the criticism of his policies, attributing Israel's problems to the world-wide economic crisis.

However, some Israeli economists are becoming increasingly concerned over the structure of the growing debt burden. They point out that while Israel has not experienced difficulty in obtaining loans abroad, the terms of these loans are becoming increasingly tough.

The Bank of Israel confirmed yesterday that the country's short-term debts grew by $800m last year, and long-term debts grew by $700m.

This reinforces the economists' concern over Israel's need to replace, or roll-over, *earlier soft-term loans with new* borrowings, at much higher rates of interest.

As the annual costs of debt servicing and repayment creeps ever closer to exceeding the annual total foreign loans, and grants, this is expected to become an increasingly onerous burden on the economy in the coming years.

South African recession 'deeper than expected'

BY BERNARD SIMON IN JOHANNESBURG

SOUTH AFRICA'S economic downswing will be deeper and longer than expected six months ago, according to forecasts by two leading institutions.

Stellenbosch University's Bureau for Economic Research said in a revised forecast published today that real GDP is expected to decline by 2 per cent in 1983, following a 1 per cent fall last year. Last October, it predicted that GDP would drop by less than 1 per cent this year.

Similarly, Sanlam, one of the country's largest insurance companies and institutional investors, has revised its estimate of this year's negative growth rate from 0.5 per cent to 1.5 per cent.

The gloomier forecasts have been prompted by the delay in the U.S. recovery (and thus South Africa's export earnings) and the severe drought in southern Africa.

According to the Stellenbosch report, the recession will reach its nadir in the closing months of this year, but the "positive effects of higher export earnings and less restrictive policy measures will probably only really be felt in the domestic economy towards the middle of 1984."

The bureau forecasts a current surplus on the balance of payments of R2.4bn this year, compared to a R3bn deficit in 1982. It assumes an average gold price of $475 an ounce in 1983, $25 higher than the price assumed in its original forecast last October. The exchange rate of the Rand is expected to average 95 U.S. cents this year.

The value of non-gold exports is forecast to advance by 4.5 per cent to R10.6bn, while weak domestic demand will push down imports by 16.9 per cent to R15bn.

AP reports from Paris: The South-West Africa People's *Organisation* yesterday condemned Britain for authorising the export of radar equipment to South Africa.

Swapo, which is fighting for independence for the South African-controlled territory of Namibia, said the radar sale was "a clear violation of the United Nation's mandatory arms embargo against South Africa."

AMERICAN NEWS

Central American policies face key Congress tests

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

PRESIDENT Ronald Reagan's increasingly desperate bid to win bipartisan backing for his controversial Central American policies will face two important tests on Capitol Hill in the next few days. Both should provide early indications of congressional reaction to his appeal for national support before a joint session of both Houses last night.

Within hours of his nationally televised speech, congressional committees will start work on two major aspects of his strategy in the region—continuing overt support for the embattled U.S.-backed government of El Salvador and covert backing for the right-wing rebels fighting the left-wing Sandinista Government of Nicaragua.

In the Senate, the Foreign Relations Committee is to start putting the finishing touches to a package of foreign aid legislation, including $50m in urgent military aid for El Salvador, which is likely to come under review early next week.

In the House, the Permanent Select Committee on Intelligence is due to vote today on legislation that would cut off funds for the Central Intelligence Agency's operations against Nicaragua and set up an "overt" fund of $50m to help democratic governments in the area to combat the flow of guns to left-wing insurgents.

The $50m before the Senate committee is part of the $110m requested by Mr Reagan last month. It has already been voted down by the House Foreign Affairs Committee, but has yet to be debated on the House and Senate floors.

The House legislation is to be tabled by Mr Edward Boland, a Maryland Democrat and the select committee's chairman, who is already the author of an amendment restricting the Administration from action aimed at overthrowing the Nicaraguan Government.

There is no certainty, however, that the majority of the 14-member committee's nine Democrats will go along with the new Boland Bill, which would give the CIA 45 days to "extricate itself" from support of the several thousand, largely U.S.-trained and supplied guerrillas operating against Nicaraguan Government forces.

Bankers 'heartened' by Mexican prospects

By Peter Montagnon, Euromarkets Correspondent

THE International Monetary Fund has told Mexico's leading creditor banks that the country is well on track with its external payments targets this year, Mr William Rhodes, senior vice-president of Citibank said yesterday.

Mr Rhodes, who is chairman of the 12 bank advisory committee spearheading debt renegotiations with Mexico, said yesterday the whole committee was "heartened" by a private IMF presentation on Mexico's economic prospects made to the group last week. "The Fund feels that Mexico is right on track with its programme," he said.

Mr Rhodes declined to go into details of the presentation, but it is understood to have raised hopes among some leading banks that Mexico could manage to avoid the need to raise extra loans this year providing its present performance continues.

Mr Harry Taylor, president of Manufacturers Hanover, said last month that Mexico could require up to $2.5bn of new loans this year because of the recent fall in the oil price.

Present trends suggest, however, that the $2bn shortfall in oil export revenues likely to be suffered by Mexico as a result of the lower oil price should be offset by a lower interest charge on its $80bn foreign debt and higher than previously anticipated revenues from tourism.

The IMF's original projections for Mexico on which its 1983 foreign financing requirement was based were also calculated on a conservative basis.

Earlier this month Mexico made a further small payment of $37m of private sector interest arrears, bringing the total of such payments to date to nearly $100m.

It is shortly expected to produce framework proposals for restructuring $14bn in private sector foreign debt and is also progressing with the legal documentation for rescheduling $19.7bn in public sector debt.

... William Chislett in Mexico City writes: The Bank of Mexico yesterday announced that companies will be able to re-open dollar accounts as of next Monday.

Reagan tipped for single term

By Reginald Dale, U.S. Editor, in Washington

MR TIP O'NEILL, the Democratic speaker of the House of Representatives, yesterday swam against the tide of mainstream Washington political wisdom by predicting that President Ronald Reagan would not run again in 1984.

Mr O'Neill said Mr Reagan would probably make the announcement in late summer, after discussions with his wife, Nancy, his closest advisers from California and after considering the implications of "four more tough years."

Most Washington political analysts, as well as senior White House officials, believe Mr Reagan will probably run again,

Senate committee likely to approve IMF quota boost

WASHINGTON—The Senate Banking Committee is likely to approve the Reagan Administration's request for increased U.S. contributions to the International Monetary Fund, according to top committee aides.

The committee is scheduled to vote today on the request for a 47.5 per cent increase in the quotas and a separate request to expand the IMF's General Arrangement to Borrow (GAB).

Banking committee aides said the legislation authorising the higher funding will also include tighter rules which Congress has sought on foreign lending.

Top ranking Republicans and Democrats on the banking committee have agreed to impose lending rules similar to those recommended earlier this month.

Among other things, the rules would require banks to set aside special reserves against high-risk foreign loans and would also impose higher capital adequacy requirements on banks that hold large volumes of potentially risky foreign or domestic loans.

Reuter

Deadlock over Libyan aircraft

By Andrew Whitley in Rio de Janeiro

AN IMPASSE has arisen between Brazil and Libya over the future of the four impounded Libyan aircraft carrying weapons to Nicaragua.

Twenty-our hours after the deadline set by Brazil for the aircraft—three Ilyushins and a Hercules C130—to leave the country, without their cargo, they show no sign of departing.

Guyana Government resists pressure for devaluation

BY ANDREW WHITLEY IN RIO DE JANEIRO

NEGOTIATIONS between Guyana and the International Monetary Fund on an urgently needed standby loan have run into difficulty over the Fund's insistence on a substantial devaluation of the Guyanese dollar.

The official exchange rate is currently three Guyanese dollars to one U.S. dollar, against a black market rate of between six and eight to one.

Two of President Forbes Burnham's most powerful advisers, Mr Desmond Hoyte, the Finance Minister, and Mr Hamilton Green, Agriculture Minister, have stated their opposition to any devaluation.

Talks in Georgetown between Guyanese officials and a visiting IMF team, including a World Bank representative, were suspended last week to allow the Burnham Government to consider its position.

Western diplomats say that in return for a one-year standby loan of approximately $60m (£38.5m), the IMF is asking for a devaluation of between 40 and 50 per cent in addition to price increases and wage restraint.

Guyana defaulted on the terms of its last three-year loan

Reginald Dale assesses the achievements of the U.S. Secretary of State

So what has George Shultz done?

OVER THE next two weeks the reticent and publicity-shy Mr George Shultz, the U.S. Secretary of State, will be more brightly illuminated in the spotlight of world opinion than at any time in the nine months since he took over from the ostentatious and volatile Mr Alexander Haig.

He is making what is bound to be a horrendously difficult first trip to the Middle East in his new job, at a time when President Ronald Reagan's September peace initiative lies bleeding, possibly mortally wounded.

In agreeing to grapple at first-hand with the complexities of the world's most explosive region and to try to revive the peace plan, he has taken on by far his greatest foreign policy challenge yet.

Mr Shultz urgently needs a success—for the sake of President Reagan's foreign policy, for the sake of the war-torn Middle East itself, and last but not least for the sake of his own personal standing in Washington.

Mr Shultz . . . Washington wonders if he can run with the ball.

When Mr Reagan was picking his original Cabinet in November 1980, Mr Shultz, although widely tipped, was passed over for the State Department job. But after 18 months of the prickly, combative Mr Haig, the White House decided it needed a radical change of style. The calm, widely respected Mr Shultz was brought in to heal the breach between the State Department and the rest of the Administration, convince the American public of the importance of foreign affairs and head off damaging divisions within the North Atlantic alliance over relations with the Soviet Union. These were most starkly symbolised by the dispute over the Siberia natural gas pipeline to Western Europe.

Because of his performance in previous Administration posts and his financial background, it was assumed that he would work quietly behind the scenes as a general "Mr Fixit," in economic as well as foreign policy, and that by listening quietly and allowing others to take credit for policy successes an invisible cloak of power would make him one of the most influential figures in Washington. In Europe, where he is well-known and liked, the appointment was hailed as signalling a fundamental change in the direction of U.S. policy.

Nine months later, what were once seen as Mr Shultz's strengths are now increasingly perceived as weaknesses. Mr William Clark, the National Security Adviser, who knows little about the reality of foreign affairs—or even foreign countries—is increasingly controlling the conduct of foreign policy, exploiting the enormous advantage of his personal closeness to Mr Reagan.

There is a growing body of opinion that the 62-year-old Mr Shultz may be just too quiet. Under the headline "Vacuum at State," Newsweek magazine recently said that the cries of "Let George do it" have given way to the question "What has George done?"

Many in Congress and the Administration feel that he has failed to grasp control of foreign policy, and has opted out of a number of important areas — including the conflict in Central America — largely because he prefers to tackle one issue at a time, and even then not until he believes that he has fully mastered the subject.

He has been compared to an American football blocking back, who gives signals to other players and protects them when they attack, but never actually carries the ball. Appropriately enough, this was the position in which Mr Shultz played football at Princeton.

So what *has* George Done? He has certainly smoothed the traditional divisions between the White House, the Pentagon and the State Department. He was instrumental in persuading the White House to back down in the pipeline dispute (although Mr Reagan would ultimately have had to cave in anyway) and he helped to orchestrate the Middle East peace initiative which he is now setting out to save from extinction.

He has advised the President on international economic affairs — one of his long-standing specialities — but he has not played the dominant role in running the U.S. domestic economy that many people, both in the U.S. and Europe, expected.

He attends a weekly Tuesday breakfast at the Treasury with Mr Donald Regan, the Treasury Secretary, and other senior economic advisers, but his aides say that his role is limited because he has no back-up staff of American economic policy experts at the State Deparement.

He has, moreover, confessed that if he were not careful, he would find himself spending 100 per cent of his time on the Middle East—let alone coping with the array of other foreign policy issues and running a major Government department.

On this front, his arrival at State has brought no major changes, and no major successes for the Reagan Administration's foreign policy. Outside the continuing deadlock in the Middle East the Administration has run into difficulties in Central America which are fast approaching crisis proportions, both on the ground and in the eyes of Congressional and public opinion at home.

Relations with the European allies over trade and East-West relations remain uneasy at best and could well flare into a fresh confrontation if Mr Reagan does not play his hand extremely coolly at next month's Williamsburg summit. One anxious Congressman recently warned that the Reagan Administration could go into the 1984 elections without a single

One result of the continuing "vacuum at State" is that others have inevitably been sucked into it. As well as the hard-line Mr Clark, the ultra-conservative Mrs Jeane Kirkpatrick, ambassador to the United Nations, is calling the tune on Central America. Both Mr Clark and Mr Weinberger, the Defence Secretary, are influencing the shape of arms control policy, one of the subjects Mr Shultz admits he finds difficult to master.

The other factor is Congress, which, in the absence of either firm State Department leadership or a willingness to compromise by Administration hardliners, is increasingly taking matters into its own hands —particularly on Central America.

In his rare public appearances, Mr Shultz has also allowed his calm image to slip by displaying unconcealed irritation with American businessmen on his trip to Peking earlier this year and by praising Mr Haig for his sabre-rattling policies on Central America before a surprised Congressional committee. He has even taken on some of Mr Haig's irascibility in pugnacious statements about El Salvador and about Col Muammer Gadaffy of Libya.

His supporters argue that the accusations are unfair, that solid, if slow progress is being made on the Middle East and in patching up differences with the Europeans—and that the issues are far too complex to be solved overnight. They say that it is not Mr Shultz's fault if people expected too much from him at the beginning. "Maybe people are waking up to the fact that nobody's magic," said one senior White House official.

The Middle East, however, was meant to be one of Mr Shultz's main areas of foreign expertise as a result of his experience in Arab markets during his eight years at the giant international Bechtel engineering corporation. He was expected to help to tilt the balance of American policy slightly away from Mr Haig's obsessive support for Israel, thus facilitating the peace process.

He now has the chance to show what he can do at the front of the stage rather than behind the scenes. The "blocking back" now has the ball. All of political Washington is waiting anxiously to see if he can run with it.

WORLD TRADE NEWS

BL pins high hopes on its new sales company in Japan

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

BL'S PASSENGER CAR sales in Japan, which have been declining for the past three years, are expected to pick up smartly with the formation today of a new wholly-owned sales company, Austin Rover Japan.

The new company takes over from Leyland Japan, a joint venture between BL and the giant Japanese trading company Mitsui which started out with high hopes in 1977 but was achieving miserable results by last year when both partners agreed on a divorce. Mitsui and Company, which held 65 per cent of Leyland Japan's stock, has written off loans worth as much as Y2.5bn (£6.7m) to the company, according to Japanese press reports.

The loans were extended in 1978 and 1979 when Japan's car imports were growing rapidly and were used to build an ambitiously conceived nationwide branch network for Leyland. As soon as the network was in place BL sales began falling rapidly, for a variety of reasons only some of which seem traceable to problems in the Japanese market. Leyland Japan accordingly was forced to lay off half its total workforce of 250 and reduce its branch network to only two offices—one in Tokyo and one in Osaka. In 1982 the company sold 272 Jaguars compared with the peak sales of 756 in 1979.

BL's new Japanese company starts out with the same capital (Y400m) and much of the same personnel as its predecessor except that senior posts held by Mitsui men have had to be staffed with newly recruited executives.

The difference in mood between the old and the companies, however, could hardly be more striking. Mr Cedric Talbot, who was sales and marketing director of Leyland Japan and is President of Austin Rover says he is certain the company will "at least" be able to recover ground lost since 1979. One reason for his confidence is the success BL's men in Japan seem to have been having recently in persuading the UK company to build special features into cars destined for Japan.

The comeback planned by BL in the Japanese market will initially depend almost entirely on various Jaguar models but the company hopes to branch out—possibly into sales of the Metro MG—after the first year or so. From 1985 onwards, Austin Rover Japan will start sales of the XX 2-litre passenger car that BL is to develop jointly with Honda.

The version of the XX to be sold by the company will carry a BL label but will have been manufactured in Japan by Honda and should accordingly sell for a "Japanese price" rather than the much higher price normally attached to imported cars.

BL hopes the XX (which will also be available in a Honda version) will help bridge the "psychological gulf" that seems to exist in Japan between imported and Japanese made cars.

Trade rows fuel U.S. mistrust

BY JUREK MARTIN IN TOKYO

CONTINUING trade frictions appear to have caused a sharp decline in the American public's assessment of Japan as a dependable partner.

This is the principal finding of the regular survey of U.S. opinion conducted for the Japanese Government by the Gallup organisation, details of which were released at the weekend.

A first canvass, conducted in January, revealed so marked an increase in distrust of Japan that a second survey was ordered. Taken in March, its conclusions were less severely negative than its predecessor, but still appreciably worse than a year before.

In the January survey, 44 per cent of the American sample thought Japan "dependable" and 33 per cent "not dependable" (the balance had no opinion). The approval rating was nine points below a year earlier while the disapproval mark was 10 points higher. The March survey produced figures of 46 and 27 per cent respectively.

The negative rating is the highest since the 1975 survey, which of course, was also taken at a time when the U.S. economy had still not emerged from a severe recession. There was a sharp jump in those who pointed to trade problems as the cause for their discontent with Japan.

The survey produced also found that most Americans thought Japan was a "stabilising" power in the Asian region.

● Beatrice Foods has signed a joint venture agreement with Mitsubishi Chemical Industries in Japan for the sale and eventual manufacture of high performance fibre reinforced composite materials, AP-DJ reports from Chicago. Beatrice said it had established a new company called Kasei Fiberite to sell and market products for use in high-technology structures with applications in the field of aerospace, aircraft, industrial, medical and sporting goods.

Fiberite's products are currently being sold through the new company. The joint venture plans to establish manufacturing operations once markets expand the company said.

U.S. Lines fixes $570m finance for container ships

BY WILLIAM HALL IN NEW YORK

U.S. LINES, which operates a fleet of 20 container ships, has completed $570m financing for its order for 12 new ships being manufactured by Daewoo of South Korea. The order, announced earlier this year, is the biggest ever placed for container ships.

Some 80 per cent of the cost is understood to be covered by ten 10-year loans at a fixed rate of 9 per cent.

Citibank and Bank of America have managed a $303m standby letter of credit facility provided by seven U.S. banks to back part of the South Korean Export-Import Bank financing.

In addition, U.S. Lines, privately owned by Mr Malcolm Mclean's Mclean Securities, has raised $114m through an issue of 12-year floating rate notes to be funded by General Electric Credit Corporation and the Prudential Insurance Company of America. First Boston Corporation acted as financial advisors to this portion of the deal. The notes carry an interest rate linked to U.S. commercial paper rates.

There has been considerable speculation recently about the financing of the U.S. Lines order.

The new ships will be among the biggest and fastest afloat and will come into service at a time when there is considerable excess capacity in the container shipping market. The first vessel is scheduled for delivery from the Daewoo in the third quarter of 1984

U.S. Lines has not revealed its intended purpose for the ships and is reluctant to disclose details about their speed. According to Daewoo the ships will be 58,000 dwt and be capable of carrying 2,100 40-foot containers.

The order was first announced last year but construction did not begin until this month because U.S. Lines wanted modifications made to the ship design which would enable the vessels to use less expensive fuel.

Toyota to make light truck in India

By K. K. Sharma in New Delhi

THE JAPANESE hold on the Indian automobile industry has strengthened with the Government's approval for an agreement between Toyota Motors and Delhi and General Cloth Mills (DCM) for manufacture of light commercial vehicles.

Toyota has been allowed to hold 26 per cent of the equity in the venture and is expected to invest Rs 52m (£3.35m). A similar agreement was concluded last year between Suzuki Motors and the government-owned Maruti Udyog on manufacture of a small car, pickup and a light van.

The joint venture is for the manufacture of 15,000 light commercial vehicles a year of the existing three-tonne Toyota Dyna range

Malaysian bank to be built by South Koreans

By Wong Sulong in Kuala Lumpur

A SOUTH KOREAN construction firm, Keang Nam Enterprises, has won a 221m ringgit (£61m) contract to build the 58-storey headquarters for a leading Malaysian bank in Kuala Lumpur.

Keang Nam beat eight other international groups for the main contract, which calls for the construction of the main building and the electrical and mechanical work. The nearest bid was 25 per cent higher, according to a Malayan Banking statement.

Work on the 8.8 acre prime site in the city's business district will begin next month and the Malayan Banking headquarters is expected to be ready in three years.

Romania, E. Germany face EEC dumping actions

BY PAUL CHEESERIGHT IN BRUSSELS

ROMANIA and East Germany yesterday emerged as the focus of anti-dumping action brought by EEC chemical, iron and steel producers to the European Commission for investigation.

The Council of Chemical Manufacturers Federations complained that the two East bloc countries are dumping choline chloride used in the animal feed stuffs industry on the EEC market. Their share of the market has risen to 25 per cent from 11.2 per cent in 1978.

Meanwhile five angle steel producers, Wupermann and Kloeckner-Wakae of West Germany, Rudut and Van Dan of the Netherlands, and Lamoirs Lantin of Belgium, have complained that Romania is dumping angle shapes and sections of iron or steel.

EEC imports of the products in 1980 were 13,467 tonnes but had risen to 18,706 tonnes in the first half of 1982. The complaint alleges that considerable quantities are sent into West Germany and then trans-shipped into the Netherlands and Belgium.

Jamaica resorts to barter deals to sell its bauxite

BY CANUTE JAMES IN KINGSTON

JAMAICA, traditionally among the world's top three bauxite producers, has resorted to counter trading and a search for new markets in a so far moderately successful attempt to keep the bottom from falling out of the industry. The decline in the aluminium market has hit the island's economy, where five North American companies have large mining and refining operations.

The Jamaican Government's efforts to exploit all market possibilities reflects the importance of the bauxite industry to the weak economy—it accounts for about a third of gross hard currency earnings. Reduced output will this year cost the economy about $200m.

Production has fallen from 12m tonnes in 1980 to 8.2m last year. The cuts implemented by the mining and refining companies have resulted in the iring of about 1,500 workers from the 6,000 employed in better times. Unemployment in Jamaica is 26 per cent.

The barter deals concluded so far are with two U.S. motor manufacturers, General Motors and Chrysler.

GM has agreed to take 270,000 tonnes of Alumina over a three-year period, while Jamaica is to import $6m worth of the company's vehicles. These will come not only from plants in the U.S., but also from GM subsidiaries and affiliates in Britain, West Germany and Japan. The alumina will be processed for GM by Norsk Hydro of Norway.

The total value of the Chrysler deal, which involves 50,000 tonnes of alumina in exchange for vehicles, is $1.24m and the exchange is expected to be concluded by June.

Government representatives say they hope to negotiate similar agreements with British Leyland, which traditionally has been a major supplier of vehicles to Jamaica.

Counter trading bauxite and alumina will not be confined to motor companies, say representatives of the Bauxite and Alumina Trading Company (Batco) which seeks the barters, but will also include suppliers of machinery such as electricity generators.

These efforts have been supported by sales of bauxite to the U.S. Government for its strategic mineral stockpile. Jamaica last year sold 1.6m tonnes to the U.S. Government

Jamaica has also found a ready market in Moscow, which is to buy 1m tonnes of bauxite a year for seven years starting in 1984, although a preliminary shipment of 200,000 tonnes is being made this year. Jamaica is expected to earn about $20m from the seven-year supply contract.

Failure by OECD to set export credit rates

By Christian Tyler, World Trade Editor

THE CURRENT regime of export credit interest rates due to expire this weekend is to continue for another two months after the failure of negotiations on new rates in Paris.

Officials of the 22 nations of the Organisation of Economic Co-operation and Development (OECD) will make what has been described as a final attempt at the end of June to set new rates and introduce a semi-automatic review system.

If that fails, discussions might go to ministerial level, to prevent the collapse of the consensus agreement regulating export credit interest levels.

The Paris talks broke up after only two days because of serious differences within the EEC and between the Community and the U.S. and Japan.

But one delegation head said there seemed to be general commitment to the principle of automatic future adjustments.

The Community countries are pressing for the present range of officially supported credit rates of 10 per cent to 12.4 per cent to be reduced by between 0.5 and 2 percentage points. But their opening bid for a two-point reduction – the French demand – was rejected by the U.S. and Japanese.

The failure of the talks was not unexpected. One negotiator said: "I do not think this is a crisis situation, but I am a bit concerned that there is such a large gap."

The Japanese, meanwhile, demanded a big reduction in the "penalty" they pay under the consensus for having low market rates of interest. They asked for a cut in the 0.3 per cent surcharge and also claimed that the reference rate in their case should be 7.9 per cent and not 8.4 per cent as at present.

Agreement on disc camera specifications

By Yoko Shibata in Tokyo

A GROUP of 20 companies making electronic cameras and magnetic tapes in Japan, the U.S. and the Netherlands has agreed basic specifications for a magnetic disc to be used in electronic still camera systems.

Sony Corporation, speaking for the group, said the planned standardisation will make the disc, like a roll of film for ordinary still cameras, compatible with all electronic still cameras made by the companies concerned.

Major members of the group include Sony, Canon, Hitachi and the Matsushita Electric Industrial Company of Japan, Minnesota Mining and Manufacturing and RCA of the U.S. and Philips International of the Netherlands.

In an attempt to avoid worldwide confusion as was caused by incompatible specifications for video tape recorders and video discs, Sony called on the other companies for a series of technical discussions on the disc camera system.

Under the basic agreement the size of the disc pack will be set at 60mm in length, 54mm in width and 36mm in thickness, weighing approximately 8 grams. The number of recordable pictures will be set at 25 for frame recording and 50 for field recording.

Oslo consultants in Soviet oil deal

By Fay Gjester in Oslo

A CONSULTANCY contract just concluded between the Soviet Union's Sudoimport and Norwegian Petroleum Consultants (NPC), Oslo, could give Norway's offshore industry a head start on foreign competitors if and when Russia decides to step up its search for oil and gas in the Barents Sea.

The deal, which has been in preparation for many months, provides for NPC to draw up a "master plan," with cost estimates, for the exploration and eventual development of several fields in this area.

Companies which will co-operate with NPC in the project include the Aker and Kvaerner groups (steel construction fabricators), Norwegian Contractors (builders of concrete platforms), Geco (seismic surveying), Kongsberg Vapenfabrikk (electronics, instrumentation) and Det Norske Veritas (quality control, safety inspection).

NPC will not reveal the value of the contract, except to say that it is "not large, as offshore contracts go." But the company believes it could make the first step towards profitable collaboration between Norwegian offshore suppliers and the Soviet Oil and Gas Ministry.

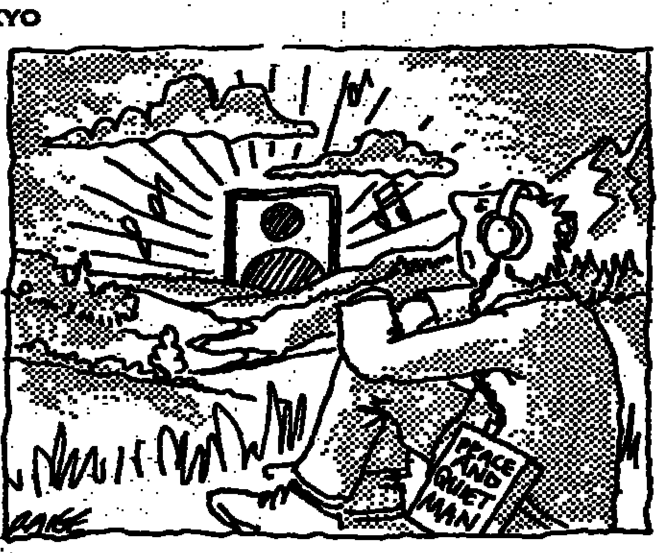
TECHNOLOGY

EDITED BY ALAN CANE

BODY SOUNDS TO FOLLOW THE WALKMAN

Good vibrations from Japan?

BY ROY GARNER IN TOKYO



"BODY SOUND" could be the next consumer fad to sweep Japan. The first product on the scene was a steoreo-equipped armchair, and now, newly arrived, is stereo-equipped clothing; "sound-wear."

Audio makers, struggling in a near - saturated consumer market, have decided that it is no longer enough for us to just listen to music, we should also be able to "feel" it.

Pioneer was the first company to convert the concept into a consumer product with a reclining armchair called "Body-sonic," launched last August, which features stereo speakers inside the headrest and a number of in-built voice-coil amplification devices designed to send vibrations produced by the music tingling right through the body.

The company is already selling over 1,000 of the devices each month in the form of customised car seats installed as a Y50,000 optional extra in the new Honda "City" car. Customer approval has also come from a more unexpected quarter in the purchase of the "home" version of the armchair by several people with severe hearing impairments, who claim they can hear music much more clearly when also able to sense the sonic vibrations.

Pioneer's latest product is even more of a novelty, however, but one which could produce more social discord than harmony. Launched on April 21 under the brand name "Sound Wear," it consists of a sleeveless ski-type jacket with water-resistant speakers built into the shoulders and wires feeding internally to a "Walkman" stereo set in one pocket and a "sound booster" in the other.

Having donned this sound wear, the user is offered the benefits of unobstructed movement, and the absence of headphones, while at the same time being able to listen to his, or her, favourite sounds.

The obvious potential drawback, of course, is that everyone else in the immediate vicinity will also be obliged to indulge the "sound wearer's" musical tastes. Even more ominous are the results of a survey conducted by project partner Honda Gilken Kogyo Company, which *found that roughly half of a* sample of 243 young people trying out the equipment at a recent new product show said the locations where they would most like to use the "sound wear" were "in the mountains" and "on the beach." Others suggested use while walking, skiing or cycling, and 86 per cent thought it would be fun to use while motor-cycling.

But this new potential threat to Japan's already high-decibel environment is not lost on the maker, it seems.

The inventor of "Sound wear," and manager of Pioneer's product planning department, Mr Hiroshi Soma, stressed that power output had been limited to a capacity of 0.76 watts, and a "mute" switch has been added to the amplifier unit to minimise irritation to others. An appeal to the user to be socially conscious *is also to be added to* the sales brochure.

Initially, Pioneer is to make 5,000 jackets per month, selling for Y22,000 each. The amplifier costs Y10,000 extra, but any of the numerous "Walkman"-type portable stereo units can be plugged into the outfit, which will keep down overall costs to the user.

It will be marketed through motoring stores and sportswear shops. The company plans to boost production levels at an early stage, and other makers *are expected to join the field* soon.

Soma pointed out that with sales of "walkman" units currently at 5m units in Japan, the potential market is considerable. Of the 12m total "walkman" units made in Japan last year, 9.8m were exported, reflecting the additional promise of a large export opportunity.

Soma claimed that a key to the enjoyment of the new jacket comes from the fact that sound escaping from the rear of the special disc-shaped speakers is conducted through the bones of the body, allowing one to literally "feel" the music. It is in this way, he says, that even motorcyclists (the main initial "target" customer) travelling at 80 kph, and wearing a helmet, will be also to hear the music clearly.

The idea of "noise which goes right through you" seems destined to acquire a new connotation in Japan this year.

Credit fraud

Check phone on trial at Debenhams

TRIALS of a computer system which allows private or "in store" credit cards to be checked via a transaction telephones have taken place in the *Oxford Street branch of* Debenhams, the department store chain.

This computer-based system has been developed by Debenhams' technology subsidiary, Debenham's Interactive Systems Company, DISC, for the group's own card system which has over 1m account holders.

Mr David O'Malley, managing director of DISC, said that the company hoped to sell systems to other chain stores as there is tremendous growth potential in credit card verification systems especially on amounts below £50 because of the high incidence of fraud.

Transaction phones have already been introduced on a limited scale for evaluation by retailers and the major credit card *companies, but Mr* O'Malley says that it is the first time that it has been applied to in-company credit card systems.

More than 25 per cent of the group's business spread across its 68 stores in the UK are in-house credit card transactions, compared with 12 per cent carried out by public credit cards such as Barclaycard.

DISC is also working on the possibility of incorporating communications facilities into conventional electronic tills so that they can also carry out credit card checking.

CAD/CAM

BL Systems offers opportunity

AN OPPORTUNITY to make use of advanced computer aided design and manufacturing systems without capital expenditure is being provided by BL Systems with a service *called Cameo*.

A Computervision Designer system installed at the company's Coventry premises can be used by clients' own staff directly. Alternatively, use can be made of BL Systems' personnel working to customers' requirements. These specialists can also be *commissioned* to provide further assistance connected with the engineering and manufacturing of products.

The company has already gained considerable experience of Computervision systems in several parts of BL, with installations at a number of car production sites.

In addition to the basic bureau facilities, BL Systems can offer a full consultancy, system evaluation and pilot applications service. More from Bryan Claydon on 0203 555155.

REPORT WARNS FOURTH ELECTRONIC REVOLUTION WILL OPEN NEW TECHNOLOGY GAP

The medium is the message in VLSI electronics

FIRST, THE thermionic valve, then the transistor and only 25 years ago, the silicon chip integrated circuit. Now a fourth revolution *looks like shaking* the electronics world to its foundations.

*This revolution does not in*volve radically new devices, but new ways of packaging the old —if very large scale integrated (VLSI) devices can be described as old.

The problem is that conventional ways of attaching silicon chips to electronic circuit boards are too clumsy, too costly in space and efficiency to match the potential offered by VLSI chips.

Conventionally, chips are mounted in small plastic or ceramic packages with *legs* which pass through holes in the printed circuit board for soldering. *Now the most advanced* companies are turning to naked chips mounted on the very surface *of* the printed circuit board.

In a new report*, written by BPA (Technology and Management) and published by the Financial Times, the authors say: "The fourth electronic revolution is concerned with a move from a through hole mounting assembly to surface mounting."

Not, on the face of it, *stuff* to set the world on fire? Well, the authors warn *that* manufacturers using the new techniques are already forcing the pace: "A technology gap will open up between those companies, *who, by embracing surface* mounting, benefit from systems cost reduction and cost-effective utilisation of VLSI and those companies who remain with through-hole mounting."

The report underlines this point: "Already space savings of as much as 75 per cent have been demonstrated merely by replacing existing components with surface mounted equivalents." Components are no longer *inserted*, they are *onserted*: "The latest machine being developed jointly by Delco and *Philips* can assemble components 70 times faster than the equipment it will replace."

The report identifies four major issues which will arise *out of the fourth electronic* revolution:

● The electronics industry will *continue to grow dramatically* while unit costs will fall. The printed circuit board industry, now some 60 per cent of the integrated circuit industry, will see major upheavals.

Firms still manufacturing traditional "leaded" components will need to *exercise* all their traditional and commercial skills to survive: "For the Japanese, not only does the use of chip (surface mounted) components enhance their equipment design and reduce assembly costs, but already the vast volumes produced have allowed them to achieve prices *in these components which are* very low—worryingly so for their Western competitors."

● Computer *aided engineering* will be essential to stay in business and companies will need staff skilled in these disciplines.

● Management in the electronics industry will have to become deeply involved in setting the detailed direction of new technological development if there is to be successful innovation.

● National governments will have no respite from considerations of whether they should be involved in the planning of their electronics industries: "The integration of a wide number of factors, involving education, finance, labour resources and many others in *the face of rapid technological* change, while maintaining competitive efficiency, will become an increasingly important consideration for all governments and economic groupings," the report says.

* *The Fourth Electronic Revolution;* available from Financial Times Business Information Ltd., at £115 ($208 overseas).

ALAN CANE

Thatcher supports plan for Ravenscraig plant

BY PETER RIDDELL, POLITICAL EDITOR

MRS THATCHER, the Prime Minister, and Mr Patrick Jenkin, the Industry Secretary, now broadly support British Steel's proposal to put its Ravenscraig plant in central Scotland into a new joint venture with the U.S. Steel Corporation.

There are several hurdles to be overcome, however, notably whether the plan will be supported in the U.S., and about the scale of new public money involved and the size of redundancies.

Mr George Younger, the Scottish Secretary, is mounting a campaign to minimise job losses, which could total more than 2,000 out of the present 4,500 employed at the plant.

The signs are that most ministers involved are sympathetic to the proposal, even though no firm plan has yet been submitted. This follows some skilful lobbying around Whitehall by Mr Ian McGregor, the chairman of BSC.

The proposal is that Ravenscraig should produce steel slabs for finishing at U.S. Steel's Fairless work near Philadelphia. BSC would inject the plant into a new company, after closing its strip mills, in return for a minority equity shareholding. U.S. Steel would have a large stake and banks might also be invited to take equity as part of their financial support.

Mr Jenkin is said to support the idea because it achieves the long-desired objective of privatising the plant of a troubled nationalised industry. Moreover, he and other ministers are attracted by the suggestion that the rest of BSC could then be made more viable since the level of activity at the other integrated steelmaking plants would be higher.

Ministers do, however, want assurances about the U.S. side, in particular that the deal will not be blocked by Congress and that tariffs would not be imposed on steel exported from Scotland. There is also pressure from U.S. Steel for a sizeable initial investment from the UK to launch the new company. This could amount to at least £100m.

Mr Younger is fighting what appears to be a lonely battle on the issue, trying to ensure that the maximum jobs are saved on what has become a highly emotive political issue in Scotland, particularly ahead of a possible general election.

British franchise 'should be extended'

By Margaret Van Hattem

CHANGES in the electoral law which would enable the estimated 300,000 Britons living in other EEC countries to vote in UK general elections have been recommended by an all-party House of Commons select committee.

The Home Affairs Committee, in its report on the Representation of the People's Act published yesterday, has advised against extending the franchise to the estimated 2.7m. British citizens living abroad in non-EEC countries.

The committee also recommends: The level of parliamentary candidates, deposits should be raised from £150 to £1,000. But the threshold below which it is forfeited should be lowered from 12½ per cent to 7.5 per cent of the votes cast.

No group at present able to vote in the UK, including Irish and Commonwealth citizens, should be disenfranchised.

Specific steps should be taken to rectify an "unacceptably" high level of inaccuracy in the electoral register.

Holidaymakers and those absent because of their jobs should be eligible for postal votes.

In drawing a distinction between British citizens in EEC countries and those in other parts of the world, the committee conceded that no valid distinction of principle could be drawn. But it rejects on practical grounds the extension of the franchise to UK citizens worldwide.

COMPANIES CONTRIBUTE £1.5M TO YEAST PROGRAMME

Backing for biotech research

BY DAVID FISHLOCK, SCIENCE EDITOR

DISTILLERS has joined four diverse British companies in supporting a new biotechnology research venture based at Leicester University.

The industrial partners in the Leicester Biocentre are Dalgety-Spillers, Gallaher, John Brown and Whitbread and Company.

The five companies have contributed £1.5m – £300,000 each – to a five-year research programme in the genetic engineering of yeasts and other plants, in an effort to forge closer bonds between academic and industrial research.

The interests of the five companies lie in the possibilities genetic engineering may open for new technology and products in the food, drink and tobacco industries, and, in the case of John Brown, for the associated bio-engineering services.

The food group of Distillers – the subsidiary which has joined the partnership – has two yeast factories and six food factories involved in baking and catering.

The Leicester Biocentre, which came into operation a few weeks ago in an existing suite of university laboratories, is closely associated with the university's School of Biological Sciences, which has 50 full-time academic researchers working in genetic engineering.

It has recruited a dozen researchers and hopes to have 20 by the autumn, says Prof Barry Holland, its acting director.

It has also received a grant of over £500,000 from the Wolfson Foundation for a new research centre to be started this summer. The Biotechnology Directorate of the Science and Engineering Research Council has contributed another £180,000 to meet the costs of getting the research programme started.

Prof Holland says the aim is to create a research institute of international repute, having strong ties with the Leicester University's schools of biology and medicine, and with industry, not only through its five industrial partners but more widely by way of research contracts placed by firms.

The research will concentrate initially on the genetic structure of yeasts and on processes which facilitate the translation of yeast genes into their unique protein products.

"If yeasts are to be exploited successfully on a large scale to produce a plant, animal and human proteins, this kind of basic research will be crucial," Prof Holland believes.

He has two groups working on yeast and another on plants higher in the evolutionary scale.

Until recently, the science of yeast was neglected as a research subject, in spite of the immense industrial importance of yeast in baking, brewing, winemaking, etc.

For the genetic engineer, yeast represents a safe micro-organism, easier and cheaper to cultivate than many others. According to one bioscientist, changes that previously took 20 years to achieve by classical breeding techniques in yeast and other plants should be possible in only two or three years by genetic engineering.

£140m deal to develop new fighter expected

By Michael Donne, Aerospace Correspondent

A CONTRACT, expected to be worth about £70m, for the initial development of an advanced technology experimental fighter aircraft, is to be signed soon between the Ministry of Defence and British Aerospace.

A comparable sum for the venture, called the Experimental Aircraft Project (EAP), is expected to come from the industry, so that the eventual project could cost about £140m.

The aim is to build a "technology demonstrator" that will bring together in one flying prototype all the advanced developments in military aviation now being studied.

These include new wing and fuselage shapes, new materials, including carbon fibre and other composites, advanced electronic cockpit displays and "fly-by-wire," the use of electronics to manoeuvre the aircraft instead of rods and cables.

The aerospace industry hopes that from the EAP will eventually emerge a new generation of advanced fighter aircraft, called the Agile Combat Aircraft (ACA), to replace ageing Jaguar and Phantom fighters in RAF service.

The ACA was first announced by British Aerospace at the Farnborough air show last September. At that time, however, it was regarded by the ministry and the RAF as too ambitious to be formally launched immediately with Government cash.

BL expects under 20% share

BY JOHN GRIFFITHS

BL, the state-owned car group, does not expect to achieve a 20 per cent share of the UK new car market this year, even with the launch of the Maestro, it acknowledged yesterday.

"But we expect to get very close," BL Cars' chief executive, Mr Ray Horrocks, told the House of Commons select committee on trade and industry during an examination of BL's performance and prospects.

Mr Horrocks did not elaborate on the reasons for what is likely to be viewed as a disappointing UK performance.

But Sir Austin Bide, BL's non-executive chairman, said that the group was still aiming to break even at the operating level this year and to achieve a pre-tax profit in 1984. This was despite the recent Cowley strike.

Sir Austin hinted that the first steps towards privatisation of BL could be taken before the end of next year. He would not be drawn on whether Jaguar Cars, already operating virtually independently of the rest of BL and making profits, would be the first company to be sold.

The fact that Mr Horrocks envisages less than a 20 per cent market share for BL this year, despite the launch of its Maestro car, is partly due to intensive discounting campaigns by rival manufacturers and the unexpected strength of Vauxhall's recovery in the UK. But Mr Horrocks reported a marked strengthening in European continental sales in this year's first quarter.

● The UK retail motor trade had one of its worst years during 1982 despite a second-half surge in new car sales, the Motor Agents Association reported yesterday.

Sales reached 1.55m, an increase of nearly 5 per cent over 1981, but there were a record 1,500 bankruptcies and liquidations among the MAA's membership.

Construction orders continue rise

BY LISA WOOD

THE CONTINUING improvement in construction activity, led by private housing orders, is underlined in the latest construction order figures published yesterday by the Environment Department.

These show that the volume of orders received by contractors in the UK in the three months to the end of February rose 16 per cent compared with the corresponding period a year ago and 6 per cent compared with the previous quarter.

The department's figures show, however, that the recovery is being led by private housing. These were 33 per cent higher than the previous three months, and 55 per cent higher than the three months from December 1981 to February 1982.

In the public housing sector new orders between December and February were 2 per cent lower than in the same period a year ago, and 27 per cent lower than in the previous three months.

In public works new orders were 1 per cent lower than in the previous three months but 12 per cent higher than the same period a year ago.

● Brick sales rose almost 18 per cent in the first quarter of this year compared with the first three months of 1982, according to figures published by the Department of the Environment.

According to the department 969m bricks were delivered in Great Britain in the first three months of this year – the highest first quarter sales since 1980.

TV-am hopeful of deal with shareholders

By Raymond Snoddy

THE management of TV-am, the troubled breakfast television channel, was optimistic last night that a deal could be hammered out with shareholders which would safeguard its immediate financial future. A statement is expected early next week.

The hope is that a 20 per cent cut in costs at TV-am will persuade bankers and shareholders to make a renewed commitment to the channel, which is losing over £500,000 a month.

The National Union of Journalists has agreed a package of savings including a deferred pay rise and cuts in expenses.

De Lorean move over assets meets opposition

BY JOHN GRIFFITHS

LEGAL COUNSEL for unsecured creditors of De Lorean Motor Company, the bankrupt parent of the Belfast sports car venture, are opposing a move which would leave Mr John De Lorean with half the company's remaining $1.5m assets.

Mr De Lorean, who is still awaiting trial on drug charges, would receive $700,000 plus interest to cover his own secured claims against the company under a reorganisation plan filed in U.S. federal bankruptcy court in Detroit.

The plan was submitted by De Lorean Motor Company and Madison SA, a Panamanian concern based in Switzerland. Under it, Madison would pay royalties for use of the company's name.

But lawyers for the unsecured creditors, who are owed $60m, claimed in court in Detroit that Madison is a front company controlled by Mr De Lorean himself, and that the reorganisation is invalid.

They take the view that even if the court were to find the reorganisation to be valid, it should be subordinated to the claims of the unsecured creditors.

Preparations are also proceeding for the auction in a few weeks time of the assets of the De Lorean subsidiary in Belfast. Unsecured creditors of the UK company are owed more than £40m, but have little prospect of receiving any payment.

Plessey files defence against Rolm

BY JASON CRISP

PLESSEY, the British electronics group, has filed a defence and counter-claim to the suit filed by Rolm, the U.S. computer and telecommunications group, in California in February.

The dispute is over Plessey's large, digital, private telephone exchange, the IDX, which was launched in the UK in January. Rolm has claimed in the U.S. district court for Northern California that Plessey has misused Rolm technology and copyrighted software.

Plessey claims that Rolm filed its action because it wanted to stifle competition from the IDX exchange. It says Rolm's allegations are a conspiracy to frustrate IDX sales in the U.S. and to buy time while Rolm further develops its own PABX.

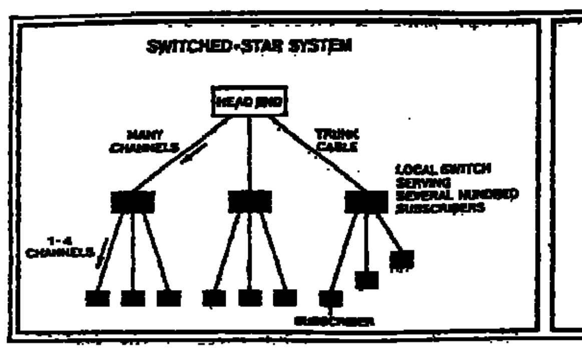
Under a licence in 1976, Plessey adapted Rolm's CBX exchange for the UK market, where it was sold as the PDX and had the largest share of the market for exchanges with more than 100 lines. Plessey strongly denies that the new IDX exchange uses the Rolm technology employed in the earlier PDX exchange.

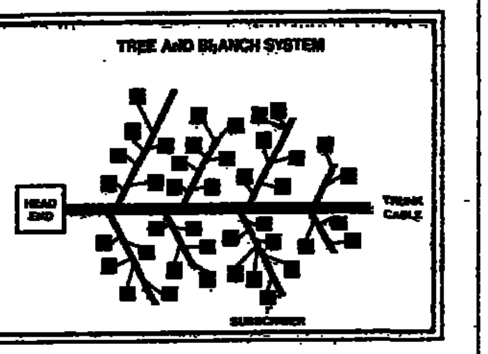
Mr Desmond Pitcher, managing director of Plessey Telecommunications, said: "We plan to introduce a version of the IDX in the U.S. in 1984. To avoid dispute, we invited technical experts from Rolm to examine the IDX prior to its launch and they seemed satisifed that it uses new Plessey technology.

"We know the IDX is a world beater and, frankly, we are surprised that Rolm, as a North American market leader, should be so sensitive about competition."

Jason Crisp explains the televiewing revolution

Full speed ahead for cable TV





CABLE television should be introduced as quickly as possible, says the Government in a White Paper (policy document), published yesterday.

The Government wants cable television to be financed by private industry and largely subject to market forces.

Cable television will be regulated but the Government wants the controls to be both light and flexible. In addition, cable television will be subject to restrictions designed to protect existing broadcasting and telecommunications services.

The Government will introduce a Bill at the earliest opportunity to establish the Cable Authority which will franchise and supervise services. Meanwhile, the Government will permit the issue of interim licences for 10 or 12 areas of not more than 100,000 homes.

Existing cable television networks, normally with four or six channels, will no longer have to carry the existing broadcast services if they provide customers with an aerial free.

The restrictions are:

● *Advertising.* A wider range will be permitted on cable than on independent broadcasting, but where the advertising and programming are similar in nature to that on ITV and independent local radio the restrictions on content and time per hour will be the same as for broadcast.

● Exclusive rights. Cable companies will not be permitted to bid for exclusive rights for certain national events such as Test matches, Wimbledon and the Grand National.

● Pay-per-view. The Government will allow the system under which a viewer pays for watching a specific programme rather than subscribing to a premium channel. The White Paper says pay-per-view should be allowed except where it would pose a specific threat to public service broadcasting, such as depriving it of an event which it normally broadcasts.

The BBC will also be allowed to adopt pay-per-view for its Direct Broadcast Satellite service being introduced in 1986.

● Foreign programme material. The Cable Authority will require those seeking a franchise to specifiy the proportion of material of British or European Community origin. They will also have to identify separately the amount of new productions.

The Authority will be required to see that a "proper proportion" of British and EEC-originated material is shown on every channel, and to ensure that the proportion of British material is progressively increased.

● Taste and decency. The Government has rejected a proposal to allow premium channels to show X-rated films guarded from children by an "electronic lock." Cable channels will be subject to the same rules as the BBC and ITV.

The Authority's main function will be to award the cable franchises and to exercise some oversight over the provision of services once the systems are in operation.

The Authority will be required to develop and apply rules on programme content and advertising, to monitor the performance of operators and to consider representations from the public.

The Authority's members will be appointed by the Home Secretary, in consultation with the Industry Secretary.

The Authority will determine the size and shape of franchise areas but the Government expects that no system will be larger than 500,000 homes.

The Government will not require the Authority to seek the cabling of the whole country at this stage. It says: "Such a requirement, if it led the Authority to demand excessive and premature cross-subsidisation by companies when they had still to establish the basis of a profitable operation, could actually have the effect of retarding the spread of cable."

Companies wishing to obtain licences as cable providers or franchises as cable operators must be under UK or EEC control. Central and local government, religious and political groups will be excluded from any stake in the ownership of companies holding franchises or licences.

Cable providers which are willing to install the sophisticated – and significantly more expensive – switched star cable systems will be granted a 20-year franchise. Franchises for companies installing the conventional tree and branch systems will be for 12 years, extendable to 20 years if they subsequently install switches.

The Government acknowledges that cable operators should be awarded a sufficiently long franchise to encourage investment and enable programmes and other services to establish themselves.

It adds: "However, the longer the period, the greater would be the danger that monopolistic abuses might start to develop, and the less the effectiveness of the refranchising exercise as a discentive to violations of the rules."

It has decided to grant operators franchises of 12 years initially, followed by eight years. Renewal, however, will not be automatic.

The Authority will also have the power of sanctions to deal with an operator falling seriously short of its obligations.

British Telecom (BT) and Mercury, the private telecommunications network, are expected to be widely involved with cable consortia.

Only BT and Mercury will be allowed to offer voice telephony services on cable systems, either alone or in partnership with a cable operator. In addition, BT and Mercury are to be further protected by restrictions on the provision of data services by cable operators in certain business areas.

Electronic payments system extended

By Mark Meredith in Edinburgh

BRITAIN'S only point-of-sale electronic payments system, operated by the Clydesdale Bank and BP which allows customers to pay for petrol with their cash dispenser card, is to be greatly expanded in Scotland.

The system initiated by the Clydesdale has undergone a one-year successful trial at three BP petrol stations near Aberdeen. Now the "counterplus system" is to be installed in 24 stations in the west of Scotland.

Because the Clydesdale is a subsidiary of the Midland Bank, customers of the Midland as well as another Midland subsidiary, the Northern Bank in Northern Ireland, will be able to use the system – roughly between one quarter and one third of UK banking customers.

The system is similar to cash transactions in a cash dispenser at a bank. At the petrol station, a customer can insert his Clydesdale Autobank card or Access credit card issued by any Midland affiliate and on entering his personal code number can make a payment or even withdraw cash.

Mr Chris Enser, BP oil retail development manager, said that the experiment in Aberdeen produced greater loyalty from customers who preferred this method of payment.

The decision by Clydesdale has been taken despite the fact that the British clearing banks have for some time been trying to agree on a single system

A study by the committee of London Clearing Banks policy group is due to be considered at chief executive level possibly in two or three months.

Ford launches legal action on counterfeiting

BY JOHN GRIFFITHS

AT LEAST 10 companies are facing court action by Ford in the UK for allegedly making or selling counterfeit panels and other body parts.

Ford is launching legal action on the basis that its copyrights and registered designs are being infringed.

It claims that it is losing business worth "many millions of pounds" to the counterfeiters. In its annual report published this week, it said that the "severe decline" in its parts sales in 1982, of 11 per cent on a turnover estimated at about £350m, had been exacerbated by counterfeiting.

None of the companies has been yet named. They are understood to include manufacturing concerns based in Bradford, Liverpool and Huddersfield, and importers bringing in parts from Italian and Dutch factories.

The problem is not new. Ford has sent UK producers of imitation panels warning letters in the past, but the scale of the problem was too small to contemplate legal action.

Now the company feels counterfeiting has proliferated to such an extent that it is determined to stamp out the trade. It claims to be particularly concerned at the poor quality of panels being imported from Italy.

Unauthorised panels have appeared in the market for virtually all of Ford's – and other manufacturers' – vehicles. For its initial legal actions Ford has concentrated on a sample car, the Fiesta. It is looking at other models, with the probability that action will be broadened to other companies.

Ford has issued a letter to its dealers asking them to report traders in unauthorised panels for its latest model, the Sierra, with a view to taking similar action.

The action is confined to the UK, where Ford can invoke copyright laws which are not applicable on the European Continent.

However, since the launch of the latest Escort in 1981, Ford has been "design registering" its models throughout Europe. It is a different procedure from copyrighting and, Ford says, provides protection against copying for 15 years. So it is possible that the type of legal action being launched in the UK will be extended elsewhere in Europe.

TSB profits take a leap of £128.9m

BY MARGARET HUGHES

THE FIRST consolidated group results from the Trustee Savings Banks (TSBs) show a 51 per cent rise to £128.9m in operating profits for the year to November 20 1982.

This increase is due to a £52.1m surplus which the TSBs earned on gilt investments. Without them the group would show a £78m operating profit, representing a drop of nearly 11 per cent from the previous year. In 1981 the surplus from gilt investments was only £1.7m.

This reduction in profits is to a large extent due to decline in the operations of United Dominions Trust (UDT).

Profits on instalment credit and leasing fell sharply from £4.4m to £1.8m, while the loss on "other services," which are mainly UDT's property finance business as well as car rental, increased to £1.4m from £400,000 in 1981.

The TSB credit card operations are still losing money, though these losses have been more than halved to £2.6m. A TSB spokesman said the group was "quite pleased" with the performance of the credit card side, attributing the losses to the "normal start-up problems." The TSBs hope to eliminate the losses soon.

On the more positive side, banking profits rose nearly 50 per cent at £121m, while profitability in the insurance operations improved, contributing £10.1m.

Lending to customers was also up nearly 50 per cent to £1.8bn, reflecting the TSB group's shift from a traditionally savings bank into consumer lending.

It aims to expand this activity this year by increasing its lending base and extending its range of personal banking services. It will step up its activity in the commercial field by concentrating on small to medium-sized businesses.

Operating expenses were 27 per cent higher at £370.5m. The TSBs attribute this "exceptional" rise to higher debt provisions, mainly on the UDT operations, a "strong" increase in staff costs and the inclusion of UDT's operating costs for the full year against only eight months in 1981.

BP gives backing to $30 oil price

By Richard Johns

BRITISH PETROLEUM has formally accepted for the whole of the second quarter the $30 reference price for North Sea oil which it approved only provisionally earlier this month.

Its approval is a recognition of the steady firming up of the spot market since it agreed the price just a few weeks ago without giving any commitment for the three-month period.

The British National Oil Corporation (BNOC) said yesterday that most of its customers and suppliers had agreed to the $30 price for the quarter as a whole. Three of the most important – Esso, Shell and Britoil – said they had not yet given their approval.

Esso, which earlier this month approved it only retrospectively for February and March, said, however, that it was close to agreement with BNOC.

Acceptance by the industry of the price level proposed by BNOC would be a reversion to normal practice. Agreement does not rule out a price review, given a significant change in market conditions.

In an interview published this week, Sheikh Ahmed Zaki Yamani, Saudi Oil Minister, said prices were unlikely to rise in the foreseeable future and the $29 a barrel price of the Organisation of Petroleum Exporting Countries – to which the North Sea price is aligned – would hold through 1985 at least.

Strikes cost 1.5m days in first quarter

By Philip Bassett

BRITAIN'S first all-out national water strike earlier this year caused the loss of half the total working days lost through stoppages in the first quarter of 1983, according to provisional figures released yesterday by the Department of Employment.

Details show that the water strike accounted for 766,200 of the total of 1,509,000 lost days. This figure was down on the same period of last year, when 1,893,000 days were lost.

The only other major stoppages in the quarter were the Ford dispute at Halewood over alleged vandalism, which the department said accounted for 126,000 days, and the South Wales pit strikes, which accounted for 186,500.

BUSINESS LAW

EEC—Arab investments: an unequal treaty

FOREIGN Investments attract wider attention only if they go wrong, like those in Libya and Iran. The rescue operations, though of great legal interest, usually achieve very little at a great cost in managerial time, money and political capital. It is therefore very sensible to provide for the protection of such investments by international agreements concluded while the going is good. The UK has negotiated about 20 such agreements, and France and Germany even more.

The EEC countries have now been negotiating for several years a convention for the reciprocal promotion and protection of investments with the member states of the Arab League. A draft produced last month in Brussels has only a very few bracketed paragraphs on which no agreement has yet been reached. It seems to be very close to the final document, and this is disquieting because from the point of view of the EEC investor, the protection it offers is very weak on several crucial points.

The proposed convention between the member states of the EEC and the Arab League is something of a novelty. It is likely to be the first multilateral convention of this type, and what is even more important, unlike the existing bilateral conventions which are usually between a rich capital-exporting and a poor developing country, this new convention springs from a balance of interests as the Arab League includes rich, capital exporters. Since the early 1970s wise men have been pointing out that real security for European investments in developing countries can be obtained only by the promotion of reciprocal investments of these countries in Europe. Some Arab states now have sizeable portfolio investments in Europe, and are, therefore, interested that their investments should receive the same protection that European investors want for their direct investments in Arab states.

The draft convention between the member states of the EEC and the Arab League is designed to protect Arab portfolio investments but offers little comfort to European investors

There is an equality of interest, but it would be wrong to assume that the risks are the same.

If adopted, the convention may become a major precedent setting out principles for treatment of foreign investments, settlements of disputes and expropriations.

The importance of getting these principles right, and of making adequate provisions against specific additional risks to which direct European investment is exposed, is, therefore, not circumscribed by the economic significance of the region. It is much wider and any temptation to be satisfied with sweetly sounding clauses without a real bite may pave the way for future disasters in the four corners of the world.

The first thing which seems to be missing is adequate provision for the enforcement of arbitral awards in disputes between private parties. The answer may be that all the countries concerned adhere to the New York Arbitration Convention of 1958, but an opportunity should not be missed to clarify and reinforce its provisions.

The draft convention makes special provisions for disputes between an investor and a host state. The settlement of such disputes should be pursued in the first instance by local remedies unless arbitration had been agreed. When no settlement has been reached within three months by local remedies, each party can submit the dispute to international arbitration. Certain arbitration centres are suggested, but strangely these do not include the London Court of Arbitration.

Even so, agreement on arbitration centres and on rules of procedure are by no means enough to ensure a fair settlement of disputes between states and private companies. There are two crucial issues: first, a clear distinction must be made between the governmental and commercial activities of the states so that the first cannot serve as a cloak for the other. Second, special provisions are necessary for the enforcement of awards against a state.

The dangers lurking in the first issue are mainly due to the lagging development of law in the industrialised countries, particularly in the common law area. Though absolute sovereign immunity for all acts of a foreign government is a thing of the past, the law has not yet caught up with the state traders and other modern merchant princes.

As recently as December of last year, the Court of Appeal held*, in a case where the Cuban Government abandoned a sugar contract for political reasons, that the Cuban state trading organisation was not an emanation or a department of the Cuban state and that it had an independent legal existence. The court relied on the House of Lords' decision in *Czarnikow v Rolimpex [1979] AC 351* enabling a government which makes a contract in the hope of profits to get out if the market turns against it.

Though Lord Wilberforce said on another occasion that state traders must not avoid commercial obligations under the pretext of political necessity, the *Rolimpex* and Cuban sugar decisions make exactly that possible by assuming that an innocent state trader can be driven into a *force majeure* situation by his government, acting for political or macro-economic reasons which must not be criticised in foreign courts.

The other weakness can be illustrated by the very great difficulty which British Petroleum and other oil companies faced when attempting to enforce arbitral awards following Libyan nationalisation of their concessions. Not only Swiss courts refused assistance; U.S. courts were also difficult, referring to the "act of state" doctrine and other technicalities.

The draft convention provides that any expropriations should be non-discriminatory and against compensation, but leaves the review of the legality of the expropriation measure and the valuation of the investment for compensation purposes in the hands of an "independent authority" of the state making the expropriation. Not even such a weak assurance is available in the event of a revolution or riot when the foreign investor is protected only by a provision that his compensation should be no less favourable than that accorded to local investors.

Governments which obtain power by revolution are not in the habit of paying compensation, but the foreign investor can sometimes retrieve something from the foreign assets of the expropriator. For this reason the (bracketed) clause of the draft article on expropriations, prohibiting the freezing of any foreign assets, unless by court order, should never reach the final text.

** Empresa Exportadora de Azucar v Industria Azucarera Nacional, FT CLR December 12 1982: this column December 16 1982.*

A. H. Hermann
Legal Correspondent

APPOINTMENTS

Two join Smiths Industries board

Two senior executives have been appointed to the board of SMITHS INDUSTRIES from May 1. Mr George M. Kennedy who continues in his executive role as chairman of SI's medical companies, and Mr A. Hugh Pope who continues as managing director of SI's aerospace and defence systems company. Mr Kennedy joined SI on January 1 1973, as marketing director of Portex, becoming managing director in 1975. In 1980 he assumed the executive responsibility for all SI's medical subsidiaries. He is currently chairman of the British Health Care Trade and Industry Council. Mr Pope joined Smiths Industries in January 1981 as managing director, Smiths Industries Aerospace and Defence Systems Co. He was previously director and general manager of the aviation division of Dunlop. He was president of the Society of British Aerospace Companies 1981-82.

★

Mr John Wild has been appointed to the board of HOME VIDEO HOLDINGS together with Mr John Sadiq.

★

Mr Chris Sutcliffe has been promoted to commercial director of ULTIMATE EQUIPMENT, a subsidiary of Reliance Knitwear Group.

★

Mr F. W. Morgan has been appointed to the board of BEDWAS BODYWORKS, a Securicor Group company. He joined the company as works manager in March 1979, becoming general manager in 1981.

★

DANKS GOWERTON has appointed Mr Tony J. Atterbury as managing director of the engineering division. He joined in 1975 as director and general manager of Danks of Netherton.

★

Mr C. J. Davies has joined the partnership of LYDDON AND CO., stockbrokers.

★

SIMON STORAGE GROUP has appointed Mr Nigel P. Biggs as managing director of its bulk liquid storage operations from June 1. The group manages the chemical and oil storage companies (a joint venture between Simon Engineering and Van Ommeren UK) and Seal Sands Storage, a wholly-owned subsidiary of Simon Engineering.

★

Mr Red Oliver, chairman of Chetwynd Haddons, is the new president of the INSTITUTE OF PRACTITIONERS IN ADVERTISING. He succeeds Mr Chris Hawes, chairman and chief executive of Davidson Pearce, who completes his two year term. Mr Frank Casey becomes secretary. He is chairman of the three Brunnings northern agencies.

★

Mr Brian Farmer, chairman of S. W. Farmer Group, has been elected chairman of MAJOR STRUCTURAL EXPORTERS.

★

Mr G. K. Hazell, has been appointed general manager and actuary of the NATIONAL MUTUAL LIFE ASSURANCE SOCIETY following the retirement of Mr A. R. C. Jenks. Mr Hazell was previously actuary and deputy general manager.

★

Mr John H. Barnes III has been appointed a director of the London board of KORN/FERRY INTERNATIONAL, in addition to his responsibilities as managing director of Korn/Ferry's European financial services division.

★

Mr J. E. Rees, Mr C. J. Road and Mr R. H. Sutton will be joining the partnership of MACFARLANES, solicitors, on May 1.

★

Mr Robert L. Millbourn has been appointed a director of ROBERT FRASER AND PARTNERS. He was previously a director of subsidiary Robert Fraser International. Mr R. J. Lambe and Mr D. W. Ashworth have been appointed assistant directors of ROBERT FRASER & PARTNERS.

★

Mr Humphrey Scott has been appointed to the board of the AVON TRANSMISSION GROUP as finance director.

★

Mr J. R. C. Sheldon has been elected president of THE BRITISH PAPER AND BOARD INDUSTRY FEDERATION in succession to Mr D. G. Croxon, who has retired.

★

Following the resignation of Mr K. L. Suddaby, the new managing director of BUITONI FOODS in the UK is Mr Roderick A. Campbell. He joined Buitoni in August 1982 as marketing and development director, following seven years marketing experience with General Foods in the UK, Europe and Latin America.

★

Mr David Jordan has resigned as managing director of FENMARC PRODUCE, March, and is succeeded by Mr Stuart Edwards. Mr Edwards, who is currently marketing director of the company, will for the time being combine the positions of managing direcor and marketing director and act as chief executive of the three other companies within the Fenmarc group. The board wish to emphasise that Mr Jordan's decision to depart has been reached by mutual consent.

★

ANTONY GIBB HOLDINGS, a member of The Hongkong Bank Group, has appointed Mr Graham F. Puttergill, Mr Roderic H. Smith, Mr John L. Sullivan and Mr Paul B. Walsh to the board. Mr Stephen K. Hill is now company sec.etary.

International Guide to the Arts

Every Friday, the international edition of the Financial Times publishes a comprehensive guide to all major artistic functions in Europe and North America.

The latest productions in the visual and performing arts are listed while Financial Times critics offer topical reviews of the most recent film premieres in London.

The guide also appears in extended form daily with particular emphasis on music (Monday), opera and ballet (Tuesday), theatre (Wednesday) and exhibitions (Thursday).

JOBS COLUMN

Dreamboats • High technology • Gone to earth?

BY MICHAEL DIXON

THE ONE I fancy is Sayonara. She's relatively modest in appearance considering her price is $21,000 a week. Moreover she could be irksome if the wind gets up. She has sails, you see.

But there is a crew of four besides cook and skipper to deal with those, and she can accommodate 12 guests as well. What really grabs me is that among other things she is equipped for clay-pigeon shooting and with a freshwater tank for storing live lobsters.

Mind you, readers with different tastes can find plenty more to choose from in the latest brochure of yachts available for charter through Halsey Marine. And I gather that besides those listed there are hundreds of others to be had, ranging from about 40 feet to 250 feet long, with or without sticks and string and cloth.

It all began two dozen years ago when some foreign tourists swept into a travel agency and asked the desk clerk where they could charter a yacht for a week or two. Unable to find them a ready answer, David Halsey decided to provide one himself. Since then his determinedly small business has added the selling of new yachts and the brokerage of used ones, particularly the sumptuous sort.

He is keen to sign on a new broker to travel extensively from the London offices organising deals between the kinds of people who sell and buy such things, which I gather is not always plain sailing.

Success in the same type of broking is preferred, of course. But it could be enough to be demonstrably skilled in negotiating at top-level for some service business and to understand the legal quirks of sales contracts, given good knowledge of yachts and/or ships.

With a share of fees on top of modest salary, the recruit would be expected to earn upwards of £20,000.

Written inquiries with full career record to Mr Halsey, 22, Boston Place, Dorset Square, London NW1 6HZ; telex 265131 Halsey G.

Consultant

LAY FOLK wishing to sense the excitement of high-technology business need only go and see Alex Korda. But they had better have a couple of hours to spare and not want to say much themselves.

After graduating in chemistry he whizzed around doing various things commercially electronic for concerns including GEC and Logica. Now, aged 32, he has set up his own business with aid from the 10-year-old SRU Group which consists of two manufacturing and two consultancy companies.

Korda and Company analyses existing and probable markets for advanced technology on behalf of some clients, and assesses the implications of installing the stuff for others. The new company is also engaged in promoting further ventures, at present including an information service on commercial, economic and political goings-on in the Middle East and a biochemistry project to produce—in South Wales of all places—"not single micro-organisms, but industrially useful communities of them." There's sociable for you, isn't it?

"If you said to me: 'What will the company be like in four years' time?' to be honest I'd have to say: 'I can't say'," he said. "Perhaps a high-technology consultancy. Perhaps a mini-merchant bank. Does that sound arrogant? I'd very much like to do both because I think one feeds off the other." (It is to be hoped the same does not turn out to be true of the projected micro-organisms.)

But even as the business has developed so far, there is not enough of Mr Korda to go round. So he hopes that the Jobs Column's incomparably versatile readers include someone able and willing to join him.

Tasks are to shoulder some of the consulting work already in hand, realise opportunities of more of same on offer, and beyond that to win even more by going to very senior managers with detailed and commercially compelling examples of their own business's need of Korda-kind expertise.

"While whoever comes will have to spend 80 per cent of the time earning their keep with consultancy, though, it would be a good thing to have additional interest in business start-ups."

"They'll need enough understanding of information technology, at least, to be able to cope with broad technical questions. They must have enough financial and marketing know-how to deal readily with senior executives, and be used to building up business. Possibly they are people who're fed up with working in big organisations. And to be competent both with words and with figures is important too. Probably even more so is the ability to communicate to non-technological people the real meaning to them of technological possibilities that are open."

Although Mr Korda did not say so explicitly, I have a feeling that candidates who are enduring listeners might well have a certain advantage.

What he did add, among other things, was that the turnover in his first year of one-man consultancy work was about £70,000, and he could guarantee much larger earnings with two in the second year.

Salary indicator is about £18,000 with profit-share and prospect of an equity-stake. Rest negotiable.

Inquiries to John Thompson, who is dealing initially with the appointment, at Ian Martin Ltd., 11 Uxbridge Street, London W8 7TQ; telephone 01-727 6455; telex 268900.

Accountants

"SOMETHING ODD" has happened to the market for newly qualified chartered accountants, it is alleged by recruiter John Courtis. Not long ago they were trampling on one another to leave professional practice, but now their pinstripes scarcely quiver at the prospect even of what he calls a "sexy" job.

"Are they sheltering in 'the profession' until the recession wafts away or because they want to get qualifying-time in for their practicing certificates?" he asks.

For instance, he goes on (at last getting to the main point), he is seeking some of the apparently hibernating breed for a group which he may not name. So, like all recruiters mentioned in this column who do not disclose their client, he guarantees to abide by any request not to be identified to the employer without further notice.

The group "wants to give the new recruits accelerated experience as internal financial consultants with considerable scope for overseas travel and a constructive contribution to subsidiaries' performance and control systems."

Perhaps it's the idea of accelerated experience that scares them off. I have long been convinced that Thomas Gray had accountants in mind when he wrote the lines:

Along the cool sequester'd
vale of life
They kept the noiseless tenor
of their way.

Anyway, salary indicator is up to £15,000 with other benefits for negotiation.

Inquiries to Mr Courtis's colleague Mark Lockett at 104 Marylebone Lane, London W1M 5FU; tel 01-486 6849.

Two tops

JOHN FULFORD of the Grosvenor Stewart consultancy (62 Pall Mall, London SW1; tel 01-930 7966) seeks two people.

One is a marketing-minded general manager successful in a science-based industry to work from London building up business as vice-president Europe of a biotechnology group. Salary from £35,000.

The other is a general manager UK for the fast moving consumer goods part of an American multinational, who will need diplomacy as well as marketing success in the same field. £35,000-£40,000.

With the emphasis on INTERNATIONAL, we are becoming a major force in international investment management. Our new investment division was set up just 5 years ago but already manages a considerable number of large international portfolios. This healthy growth environment provides a first class opportunity for real career development.

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Head of Investment Administration

We think you will be at least 30 and have a minimum educational standard to 'A' level with seasoned experience of international investment accounts — probably gained in a senior position with a merchant bank, investment bank or stockbroking firm. Certainly your experience will be the most important qualification to be taken into account for this extremely vital job, which will call upon the ability to implement new ideas through effectively dealing with colleagues, stockbrokers and market counter-parties.

This highly demanding career challenge attracts a high salary, company car and valuable banking benefits including low-cost loans and mortgages, free BUPA and non-contributory pension fund. Our attractive offices are situated in Covent Garden, London.

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A leading Life Office, based in the South, intends to make a key appointment with responsibility for the management of funds approaching £2 billion.

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Data Systems Development Review Manager

£23,000 – £30,000 pa plus car

A leading US International Bank seeks a senior manager for their London office. This is a new career position for a data systems professional which offers high visibility with senior executives.

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The essential requirement is for at least seven years appropriate data systems project experience in a finance or banking area. Those with a management consultancy or computer audit background may have an advantage. A degree or professional qualification is desirable.

The compensation package is flexible and could also be attractive to expatriates who wish to move to London. This is a unique opportunity at the vice-president level with significant future growth potential.

Please write in confidence, quoting client reference R9401 to R N Orr, or telephone 01-439-6083 for an application form.

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The P-E Consulting Group
166 Piccadilly, London W1V 9DE Tel: 01-499 1948 PE

Director Designate

Marketing Consultancy

P-E Consulting Group Ltd. is a well-established major independent firm of management consultants operating worldwide. Our services span most business functions including strategy and organisation, information systems, manufacturing, personnel, finance and marketing.

In the marketing field we have a strong and well-established capability and our services range from international market and product strategy studies to sales organisation work, detailed market research and attitude surveys. It is our policy to develop and expand our marketing services and we intend to appoint a high calibre professional to lead this aspect of our consulting practice. Such is the importance attached to this role that we would expect the successful candidate to merit early appointment to the Board.

Initially the director designate's key tasks will be

- to review our total marketing consultancy practice determining a strategy for its future growth,
- to plan and monitor the development of our marketing and related services and
- to sell and manage major assignments.

The successful candidate will be aged about 40 with a university degree and possibly also an MBA; have a record of achievement in marketing consultancy; and possess the drive and flair successfully to promote P-E's practice in this field.

All applications will be treated in complete confidence. Please write to Pat Alborough or telephone on 01-409 2669. Alternatively you may leave your name and telephone number on our answerphone 01-499 1948 and we will contact you.

Director Sector Strategy

c.£24,000

GLEB's role is to promote and assist in the economic regeneration of London and in so doing, to create jobs.

We do this by actively intervening in and setting up enterprises of all forms. We seek to create stable, long term jobs in viable organisations whilst increasing the involvement of people at all levels in the industrial decision making process.

Your role will be to identify opportunities for active intervention and to initiate a wide range of projects following detailed examination of priority industrial and geographical sectors.

You will have a team of highly qualified staff who have already begun work in a number of critical areas and will have access to a wide range of in-house support.

You will have had successful and senior level experience in industry, commerce or financial investment and will have a well established capacity to develop long term strategic views of organisations and industrial sectors. The ability to work with and be sensitive to the needs of industry, trades unions, local authorities and community groups is also essential.

You should reply, with a detailed curriculum vitae and your reasons for being interested in this post to: Alan McGarvey, Chief Executive, Greater London Enterprise Board, 63-67 Newington Causeway, London SE1 6BD.

GLEB is an equal opportunities employer

Greater London Enterprise Board

Investment Analysis

Exceptional Opportunity

Our client, a major London Stockbroker with broadly based U.K. and International business and a very highly regarded research department, seeks a versatile individual of high calibre to establish and develop a service aimed at the identification, analysis and marketing of special situations offering above average growth prospects.

The ability to generate original investment ideas is of prime importance, but this position also offers unusual freedom to communicate these ideas to clients and to develop corporate relationships where appropriate.

The ideal applicant is most likely to be aged 25 to 35 with sound experience gained within either a Stockbroker or investing institution.

Remuneration will be exceptional for the right candidate.

Please contact Anthony Innes or Stephen Embleton who will treat all enquires in the strictest confidence.

Stephens Associates
International Recruitment Consultants
44 Carter Lane, London EC4V 5BX. 01-236 7307

Financial Consultant

Development Capital

PA Developments is the corporate finance division of PA Management Consultants. It is a small, but expanding group that acts for clients seeking acquisitions, joint ventures, licences, etc. In addition, PA Developments acts on an exclusive basis for major institutional funds seeking to invest in the unquoted sector, and an opportunity has arisen in this area.

Applications are invited from persons in their late 20's or early 30's who wish to work in the development capital field. Ideally, candidates should have an MBA or accounting qualification. Several years experience of investment appraisal, acquisitions or market and company analysis, ideally in the technical sector, would be useful.

The person appointed will be a self-starter who will be expected progressively to participate in detailed investment appraisals and negotiations. Initially the involvement will be to assist in searching for and initiating new opportunities and to prepare first stage assessments for approved situations.

Salary will be negotiated in line with experience, and is unlikely to prove a limiting factor. The benefits package includes car allowance, London Weighting, free BUPA and first-class pension scheme.

Please write enclosing full CV with details of current salary, to:
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PA Developments Ltd.,
Bowater House East,
68 Knightsbridge,
London SW1X 7LJ

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Applications including a full c.v. to:
Mary Farrer,
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London EC3P 3DR

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Please write with full career details to: Mrs. Marion Howells.

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The factory, employing over 250 people, is primarily concerned with the assembly of purchased product; this is therefore a key management position.

Candidates should be graduates and must have successfully attained sound purchasing and management experience, preferably in the vehicle industry. It is unlikely that those under 30 years of age will fulfil these requirements.

Salary and benefits will reflect the importance of this position within the company.

Please write with full personal and career details, in confidence, to J. R. Evans, Managing Director,

Lansing Henley Limited
Inc. Bonser Engineering Division
Blackwood, Gwent NP2 2XF

NATIONAL AND LOCAL GOVERNMENT OFFICERS' ASSOCIATION

Appointment of Deputy General Secretary

Applications are invited for the appointment of Deputy General Secretary of NALGO to succeed the present holder of the office on his appointment as General Secretary in November 1983.

The salary is £23,040 rising by annual increments to £24,960 per annum (including London weighting allowance).

The appointment is terminable by not less than three months' notice in writing on either side and is superannuable under the NALGO Staff Superannuation Fund rules.

Applicants will be considered on the basis of their suitability for the post regardless of sex, race, marital status or disablement.

Full details and application form available upon request from the General Secretary, NALGO, 1 Mabledon Place, London WC1H 9AJ. Completed application forms must be received by the General Secretary no later than 18th May 1983.

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My client is a major financial institution with an extensive network of branches located throughout the world. They are seeking a professionally qualified person (ATII or fully trained Tax Inspector) to join the small tax department. Duties will cover a wide spectrum of corporate international banking business. Age preferred early 30's.

Please contact: Paul Trumble

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Please contact: Brian Gooch or Joanne McKeggie

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Please contact: Brenda Shepherd

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Write for an application form or send brief CV to the address below, *quoting ref: GM51/8230/FT on both letter and envelope*, and advising us of any other applications you have made to PA Personnel Services within the last twelve months. No details are divulged to clients without prior permission. Initial interviews will be conducted by PA Consultants. Men and women may apply.

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City of London

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Aged 25-40, you must have a successful record in export selling together with strong experience of export credit management. Self-motivated and ambitious, you will also possess the personal qualities needed to represent the company and communicate effectively at all levels. Membership of the Institute of Export would be an advantage.

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Please write with full personal and career details to: Mr. R. L. Hawkins, Personnel Manager, Fisons PLC, Gallenkamp, P.O. Box 290, Technico House, Christopher Street, London EC2P 2ER.

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Salary is negotiable according to qualifications and experience and would include the customary benefits associated with a City Merchant Bank.

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£10,000 Negotiable

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This is an outstanding opportunity to join an expanding business and, for the right person, offers good career prospects.

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Wood, Mackenzie & Co.,
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THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Human insulin fights for a market share

Carla Rapoport on the slow response to a new diabetes treatment

Change to Human Monocomponent insulin—the next logical step.

ONE OF the first products of genetic engineering, human insulin, has fallen with a thud on the marketplace.

Seven months after its launch, Humulin—produced by Eli Lilly of the U.S.—has cornered little more than 1 per cent of Britain's £20m insulin market. In a slightly longer period, Novo, Lilly's Danish competitor, has picked up only slightly more with its own brand of human insulin, which is not genetically engineered, but made by chemically refining pig insulin.

The trouble is painfully simple. Despite the combined marketing and research muscle of the two giants in the insulin market world-wide, almost no one is willing to admit that the world really needs human insulin.

Diabetes is a chronic disease requiring the sufferer to take insulin regularly or die. Insulin is produced by the pancreas and regulates the use of carbohydrates in the body by controlling glucose levels in the blood.

The human insulin made in a laboratory, either by Lilly's genetic engineering or Novo's chemical technique, is exactly analogous to the insulin made by a healthy pancreas. Clinical research, however, has yet to show that human insulin is any better for the vast majority of diabetics, medically speaking, than the traditional forms of the product they have been using for years and which are derived from beef and pork insulins.

In the fiercely competitive drug market, a better form of therapy in almost any field can bring its creators billions of dollars in sales. But an imitative product, even if it is produced by dazzling methods, is very likely to flop. The only sure way to turn a so-what product into a sizzler is through aggressive marketing

With their eyes firmly fixed on the $400m and growing market for insulin world-wide, Novo and Lilly are pouring tens of thousands of pounds into the promotion of their new products in Britain—the first testing ground for human insulin world-wide. But even in simple marketing terms, the two companies are facing a wicked challenge.

For Lilly, the marketing battle is a much more important one than just the challenge of winning favour for human insulin. Its launch of Humulin in the UK marked its first attempt to sell insulin in Europe and the company is hopeful that its strength and size (total sales last year topped $1.5bn) will allow it to break Novo's hammer-lock hold on Europe, where it has about 60 per cent of the traditional insulin market.

On its home ground in the U.S. Lilly has already received a stinging black eye from Novo. With the aid of a joint venture marketing agreement with Squibb, Novo has snapped up 20 per cent of the U.S. market, up from 13 per cent a year earlier, largely on the strength of Novo's highly purified monocomponent insulin.

Squibb's sales of insulin, supplied entirely by Novo, shot up from $6m in 1981 to more than $31m in 1982, according to Wall Street analysts' figures. Some of this share has been picked up from the smaller players in the market, but analysts reckon thabt Lilly's former 85 per cent share of the U.S. market has been permanently damaged.

Novo's success in the U.S. stemmed from its "push" strategy, by which it concentrated its energies on the top 200 diabetologists, followed by the top 18,000 doctors in the major U.S. cities, who collectively accounted for 80 per cent of insulin sales through their medical practices. Unlike the human insulin push, however, this campaign was aided by the scientific backing of hard data from clinical trials which showed that the highly purified product created fewer complications for diabetics.

Unlike most drugs, the prescribing of insulin in the UK is tightly controlled by about 300 medical experts who work at the leading diabetic clinics at hospitals around the country. These experts are not buyers, in the garment industry sense, because they are not interested in the consumer's sense of what is fashionable. So far, their reaction to human insulin has been akin to that of a rather conservative father eyeing his daughter's rah-rah skirt.

"At the moment, specific indications for using so-called human insulin are very rare. Insulin allergies occur, perhaps once in many thousands of cases," says Dr Peter Watkins, a leading diabetologist and consulting physician at Kings College of Medicine in London.

These doctors do admit that human insulin has a strong psychological pull for many patients, as the product is an exact duplicate of the insulin which non-diabetics produce naturally. But in Britain, at least, doctors are reluctant to give in to this influence because of the higher price of human insulin. "

Psychology is extremely important to companies trying to sell their product and both companies are strongly promoting this angle. "Which would you like to inject, something that's human, or something from a pig?" asks Dr Irving Johnson, director of biotechnology research at Lilly in Indianapolis.

With this in mind, Novo and Lilly have been eagerly anticipating this month's switchover by Britain's diabetics to a standardised measure of insulin, U100, which will replace the varied measures previously available.

Both are hoping that, when diabetics visit their doctors to receive instructions on the new apparatus that goes with the U100 insulin, they will question their doctor about the new human insulin.

Novo has put out a snappy booklet for physicians about the U100 switchover containing a huge centre-page spread that reads: "Change to Human Monocomponent insulin—the next logical step." With scrupulous Danish conservatism, however, Novo also presents the facts: "In comparable groups of patients, the antigenicity (allergic reactions) of human insulins seems to be less pronounced than with a highly purified porcine insulin. However, the number of cases investigated is yet too small to show statistically significant differences."

And again, leading doctors are sceptical about the U100 switchover's likely effects on the demand for human insulin. "I certainly don't raise it when switching patients," says Watkins.

Considering how conservative this consumer population is, the companies are ploughing thousands of pounds into further medical research. "We believe our clinical research in Britain is second only to the British Diabetes Association," says Peter Harsant, managing director of Novo Laboratories in the UK, "and we're spending as much on clinical research as we are on promotion."

The brightest hope for proving the medical worth of human insulin appears to be in the area of long-term insulin use. Preliminary research has suggested that long-term use of conventional insulin may be causing allergic reactions in older patients. The companies hope to prove that human insulin would rule out such reactions but, by the very nature of the hypothesis, the conclusions could take some years to confirm.

In the shorter-term, marketing efforts will not slacken and both companies continue to encourage doctors to carry out their own clinical research in the hope of winning more converts and more evidence.

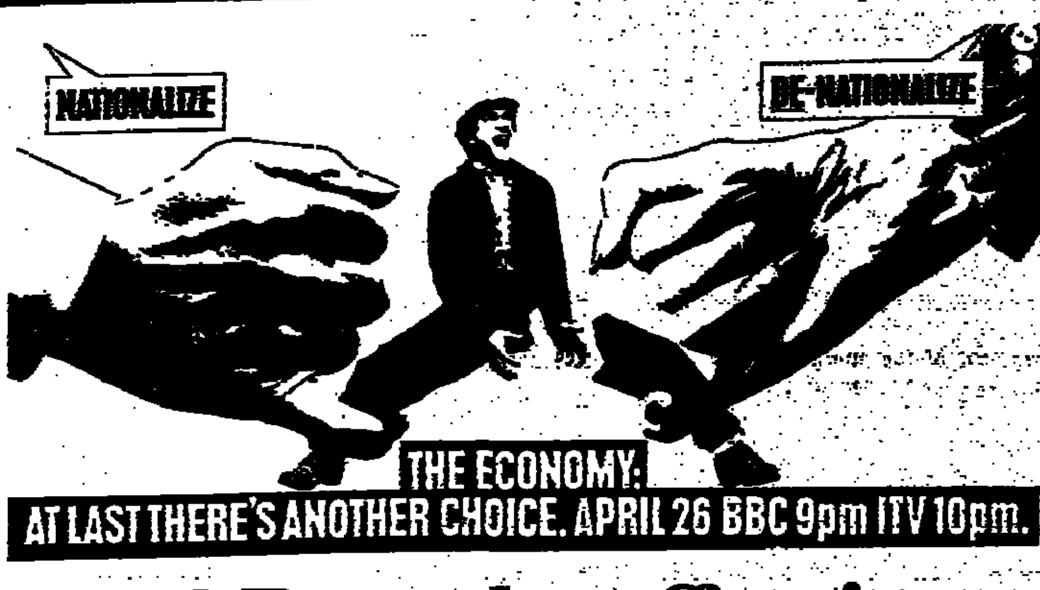
"You've got to expect a slow reaction on something like this, but we're the biggest name in insulin in the world. That counts for something with doctors," says Dr Johnson of Lilly.

Considering the sweep Novo has made in the British insulin market since 1977 its success in the U.S. is not surprising. It launched its highly purified insulins in that year, helping to catapault its share from 15 per cent to 45 per cent today.

Considering the strength of this performance and Novo and Lilly's prominence in the field, others in the business are hedging their bets on the human insulin business by quietly developing their own products. In a cheeky statement put out at the end of last year, Nordisk, a smaller Danish contender in the European market, announced that it would continue to concentrate on its pork insulins and then added parenthetically that the company expects to have its own human insulin ready by mid-1983.

Dr Peter Reid, medical director for Hoechst UK, sums up the ambivalent feeling that many in the medical community have toward human insulin. "None of us really knows if there is a technique for producing completely pure protein molecules."

"Technically, it is the most marvellous achievement," adds Watkins. "What does it add up to for diabetics? Not much. It's a pity."



SDP on the offensive

BY FEONA McEWAN

SURELY the boldest, some might say crudest, work around on the poster scene this month comes from the inventive drawing boards of bright young agency Gold Greenlees Trott.

Its quartet of teaser posters depicting Government and Opposition leaders, Margaret Thatcher and Michael Foot, in various postures of ridicule, have amused some, shocked others, but in all cases had the desired effect of setting tongues wagging.

The advertiser, in case you hadn't got there, is the Social Democratic Party, and this is its first full scale assault on the public consciousness using the advertising idiom since it appointed GGT last December.

"A cheap tasteless piece of advertising . . . not constructive and does not properly represent the political message of the SDP," Liberal MP David Alton is reported as saying. "Quite the wrong tack for the SDP," observed an agency political writer, who reckoned the SDP should be less a party of political party bashing, more a party of reason. "The campaign was meant to be hard hitting and controversial," according to party spokesman Ian Wrigglesworth, MP. "We wanted to stimulate people to think in terms of Thatcher and Foot and then get them thinking of the alternatives. If anything we are surprised at the lack of comment on the campaign."

However, it's hard to ignore the gruesome masks framed in hair, one an immaculate female coiffure uttering the word "More," the other, unkempt male locks uttering the word "None." Underneath are the words—"The Bomb. At Last There's Another Choice."

It was a brave choice opting for a young shop rather than playing safer with the more well-tried agencies. GGT attracted political attention with its award-winning — and similar — posters for London Weekend Television.

The campaign centres on posters—"it is street visibility we want, says Greenlees—since the IBA Code of Practice forbids television and radio advertising. GGT unveiled its punchy package nationwide on April 1 (no joke intended) as a build-up to a party political broadcast last Tuesday in preparation for the local government elections in England and Wales on May 4 and 5. The broadcast, which in part used the same rather crude format as the advertising, presented the SDP's answers to key issues and its alternative to confrontation politics.

One of the principal and already well documented problems facing the new party is that it does well in the opinion polls whenever it has a high profile (as when the Alliance won Bermondsey), thus causing what the agency calls a massive blip. What it has been unable to do consistently so far is break the binary machinery in the UK which traditionally thinks in terms of Her Majesty's Government versus Her Majesty's Opposition.

People tend to forget the SDP, yet if questioned many will say they would vote for the party if they thought it had a chance of winning. Putting those two thoughts together the agency believes its main job is "to maintain high profileness of the SDP in particular and the Alliance in general," as Mike Greenlees puts it.

The first step was to get noticed. Stop people in their tracks and gather momentum. Set them thinking of the issues and the alternatives.

The thinking behind the campaign is that the choice between the two main parties is no choice at all. In Thatcher and Foot are represented two extremes which, says the SDP, make them both sides of the same coin.

GGT illustrates this in posters by focusing on four burning issues — defence, unemployment, industry, economy — showing the polarisation of Tory and Labour views on them.

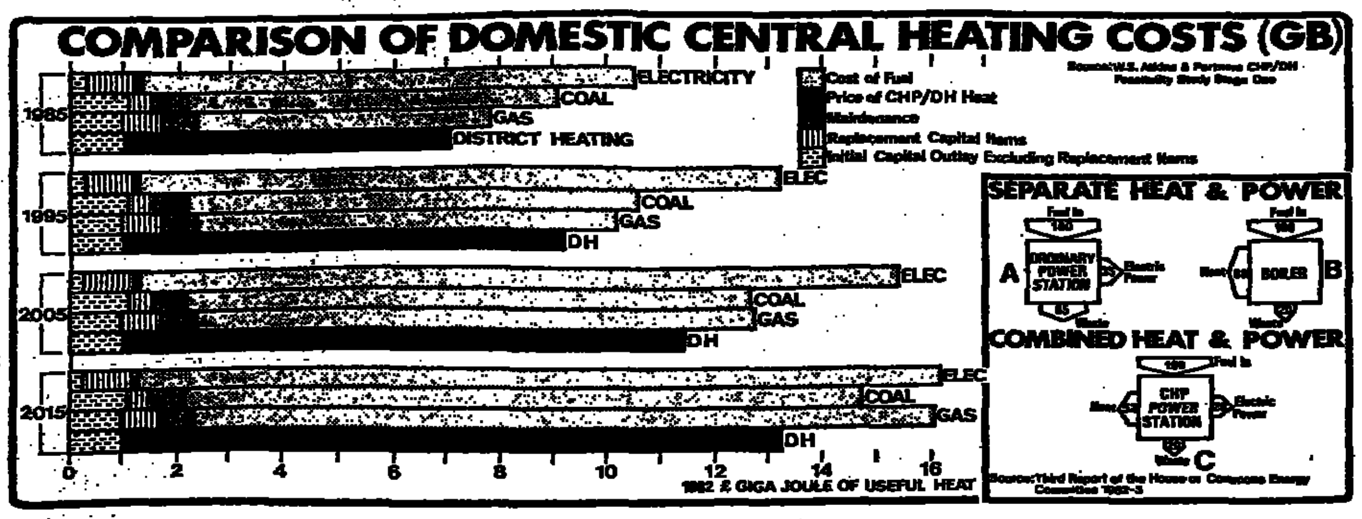
Underlying all the posters is the line "At Last There's Another Choice," indicating the moderate solution.

"The aim is to get people to reassess how they've been thinking, not in terms of party dogma, but the best solution," says Greenlees.

ENERGY REVIEW

How heating might cost 10% less

By Richard Johns, Energy Correspondent



Graham Lever

THERE CAN be few, if any, technological processes more wasteful than the generation of electricity. No less than 50-60 per cent of the energy derived from any fuel used in a power station is rejected in the form of warm water and only a small proportion of the effluent is utilised. The extent of the loss should give rise to sober reflection in an era of conservation. It is surprising, therefore, that combined heat and power (CHP)—which, as the phrase implies, aims at fuller exploitation of energy burnt to generate electricity—should rank so low as a political and public issue.

In its broad outline the concept is simple enough. Thermal efficiency can be raised two or three times, with only a marginal loss of electricity output, if the temperature of the water is raised and, instead of being rejected, is piped to domestic, commercial and industrial premises for heating purposes. The system known as Combined Heat and Power/District Heating (CHP/DH) is a proven one which in 1980 provided Denmark with 31.7 per cent of its electricity, Italy with 11.3 per cent, West Germany with 11.2 per cent, the Netherlands 10.3 per cent, and Sweden 9.7 per cent. For the UK, where there have only been limited applications, the proportion was only 3.5 per cent.

The Government is committed, in principle, to a concept which would involve considerable energy savings and—according to a recent study—could offer consumers cheaper space heating. In practice, it has remained unconvinced despite a recommendation in 1979 of a committee headed by Sir Walter Marshall, then chief scientist at the Department of Energy and now chairman of the Central Electricity Generating Board, that a large-scale "lead city" scheme should be implemented.

The Government's misgivings and apparent ambivalence will be more difficult to sustain following publication last week of the House of Commons Select Committee on Energy's report on Combined Heat and Power. It comes out unequivocally in favour of development of CHP/DH schemes in inner city areas.

One major influence on the committee was the little publicised study of the consultants W. S. Atkins which was commissioned by the Department of Energy and finished late last summer. The Marshall report had urged the immediate go-ahead for a detailed study of at least one lead city scheme, even though four years ago it considered CHP/DH still not to be economic. But the Atkins study covering nine cities found CHP/DH schemes would probably be acceptable to 75 per cent of the people in the nine urban areas studied with a price for heat 10 per cent less than that from any competitive source. At such a level schemes in seven of them could still give the internal rate of return of 5 per cent required by the Treasury for nationalised industries.

The capital cost of schemes varied from £343m for Sheffield, to £806m for Glasgow, at 1982 prices. But on average 40 per cent of any outlay would replace expenditure on plant which would have been required, anyway. The study's main recommendation was that the Government should proceed with the preparation of full project plans for two or possibly three of the schemes.

As it was, London (Southwark and Tower Hamlets), Manchester, Tyneside (Newcastle and Gateshead), Leicester, Glasgow, Edinburgh and Belfast were all reckoned to stand up to the test of viability if CHP/DH stations were credited by the electricity supply industry (ESI) with the full value of power produced by them. The two exceptions were Liverpool and Sheffield but even these achieved an internal rate of return close to 5 per cent. The seven also met the criterion with electricity generated priced at the lower purchase terms typically imposed by the CEGB on private suppliers.

Profitability of Belfast stands out

Another evaluation was also done on the basis of "marginal cost"—taking account of the impact of CHP power stations on the whole of the electricity generating systems in England and Wales, Scotland and Northern Ireland, in particular the extra quantity of fuel used to generate the same amount of power and additional non-fuel operating expenses. By this test only Belfast would achieve an internal rate of return of 5 per cent but London, Manchester and Tyneside would have one of over 4 per cent. The reason why Belfast's profitability stood out is because a new coal-fired power station is planned for Northern Ireland in the 1990s, and thus the marginal capital cost for a prospective CHP station would be low.

Under this third method of appraisal calculations were made on the basis of CEGB projections showing an increasing proportion of nuclear generating plant. In this scenario capacity in contention with CHP would all be nuclear except during winter week day periods. For this reason Atkins assumed no capital credits for CHP capacity and commented that against this background "the marginal profitability of the English cities appears to be finely balanced."

If nuclear expectations are disappointed and the proportion of coal-fired capacity remains high, then the prospects of CHP/DH viability look much better, however.

With allowance of capital credits and valuation of CHP-produced electricity at the marginal rates incorporated by the CEGB in the Bulk Supply Tariff (as opposed to the base load), London, Manchester and Tyneside, as well as Belfast, would meet the criterion of a 5 per cent return. Edinburgh and Glasgow would be close to it.

W. S. Atkins and Partners, in line with their commission, confined themselves mainly to the financial viability of CHP/DH. Their report was "not an economic appraisal of the cost-benefit analysis type which the Government normally uses for appraising public projects such as motorways," the Select Committee points out. It is concerned with the broader context and emphasises that other West European governments have a similar concern. The prospect of a 10 per cent reduction in the cost of heating is only one of a number of benefits envisaged. Energy saving apart, "it would be extremely risky for the country to continue to rely on natural gas or on naturally occurring liquid fossil fuels for its supplies of fossil fuels," says the report.

Taking into account economics, comfort, fuel efficiency, and long-term environmental benefits, the Select Committee comes out clearly in favour of CHP/DH ahead of the other two options—coal-based synthetic gas or liquid fuel and various forms of electric heating supplied by coal-fired or nuclear power stations. In any given area where a scheme is implemented gas consumption would be worst affected with the market loss for oil about one half as much and for electricity one quarter. Usage of coal, the only beneficiary, would rise by a factor of two-and-a-half.

Hostility from vested interests

Not surprisingly, the vested interest which has shown greatest hostility to the concept of CHP/DH is the British Gas Corporation. Faced with the possibility of losing a significant share of its market when indigenous gas supplies run out—and if large CHP/DH schemes go ahead—it is devoting a quarter of its research budget, or £16m last year, to synthetic natural gas and is considering building as many as 20 plants at a cost of £1bn each over a 20-year period. The Select Committee takes British Gas to task for its "iniquitous practice" in penalising existing district heating schemes. It also expresses the fear that British Gas might reduce its domestic tariff in areas with CHP schemes.

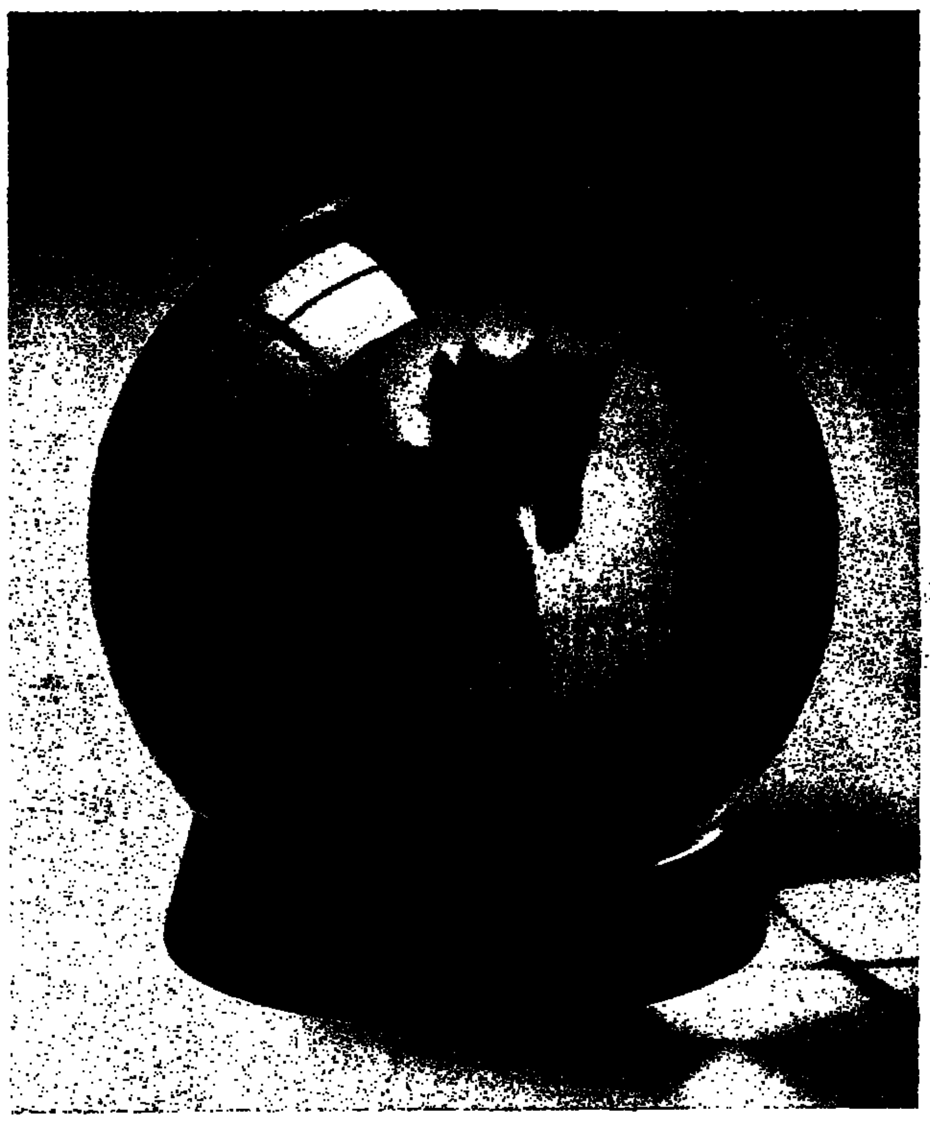
Competition apart, gas is irrelevant to the larger CHP/DH schemes now envisaged. Of crucial importance to their development is the ESI. Most recently, the position of the CEGB was given by Mr F. P. Jenkin, one of its senior executives, in evidence to the Sizewell B nuclear reactor inquiry. He said that the board was prepared to supply heat for large-scale projects "at a price which reflects the additional costs incurred."

At the best the attitude of the CEGB is regarded by CHP/DH protagonists as grudging. Indeed, the Select Committee was "surprised" to hear that some leaders were downright hostile to it, given the potential long-term gains for the industry. The CEGB has the whip-hand over the future implementation through its power to set the price of electricity produced by CHP schemes, whether or not it is the operator, and as a supplier of hot water. But if local authorities or private capital, perhaps a combination of the two, go ahead with CHP/DH schemes, then the CEGB would be required under the provisions of the Energy Bill now before Parliament to give more equitable access for electricity generated to enter the public transmission system.

The Select Committee says: "We support any proposal to place a statutory duty on electricity boards to provide heat, or assist in the provision of heat through CHP schemes by amendment of the Electricity Act 1957." It also calls for the rules relating to energy capacity interchanges between the ESI and other undertakings to be clarified so that CHP schemes can be implemented "firmly and quickly." Whether or not the CEGB installs the capacity is left open.

However, rates of return would be insufficient to attract private capital unless the Government undertakes to guarantee some of the risks, the parliamentary watchdog notes. It has no doubt that public investment would be justified and recommends steps be taken to implement an unspecified number of lead city schemes.

The last government pronouncement on the subject was made by Lord Avon, Under-Secretary for Energy, in the Lords just over a week ago. He stressed that there was no official bias against CHP but any investment in it would have to be made on the basis of commercial criteria. As it is, the Government has still not reacted yet to the main recommendation of the Atkins study, but a statement in response to the Select Committee is expected next month. Meanwhile, Sheffield—though the city failed the test of a 5 per cent rate of return in the Atkins survey—is going ahead with its own more detailed appraisal.



THE ARTS

The Roaring Girl/Barbican Theatre

Michael Coveney

It is nearly 50 years since T. S. Eliot trumpeted the qualities of *The Roaring Girl (1608)* by Thomas Middleton and Thomas Dekker in his *Elizabethan Essays*. Barry Kyle's revival for the Royal Shakespeare Company was given a brief airing at the end of last year's Stratford season. Its official opening in London is not only a vindication of Eliot's assessment; it is also the most persuasive piece of full-scale RSC reclamation in this area since Trevor Nunn's of *The Revenger's Tragedy*.

The eponymous roisterer, a fully fledged version of Anybody's in *West Side Story*, is Moll Cutpurse, taken by the authors from the life of Mary Frith, "a very tomrig or rumpscuttle" who smoked tobacco and forswore the sewing needle for sword and dagger. In the play, she is befriended by Sebastian in order to jolt his mercenary father out of objections to his betrothed Mary.

The portrait of Moll is complex, beguiling, ambiguous. She plays agent in a love affair by serenading the couple on her viol and resisting the baubles planted in the bedchamber by Sir Alexander with a view to framing her as a thief. She makes an assignation with the devious gallant, Master Laxton, only to turn on him with a vengefully feminist sword. She intervenes in others' knavery, confounding the police and protecting the naively epicurean Jack Dapper from the righteous indignation of his ranting father.

Helen Mirren swaggers through the action with radiant singularity of purpose, filling in areas of light and shade that even Middleton and Dekker omitted. The contemporary punkishness of the performance is never gratuitous. You imagine this Moll has delved deep into the mystery of her sexuality and found it dangerous. She rejoices in Sebastian's love for Mary, toys fleetingly with Laxton's fumbling advances and marches serenely away. Miss Mirren invests the valedictory final speech of her conditions for marriage with the poignant irony of the Fool's prophecy in *King Lear*.

Taking as a hint Eliot's comment on the Dickensian richness of characterisation, Mr Kyle and his designer, Chris Dyer, give us a teeming picture of Jacobean London, with its bustling sense of street life, mercantile activity by the river, vendors on market day, and domestic strife in particular households.

The sub-plots of two middle-class merry wives (Sorcha Cusack and Stephanie Fayerman) playing off tedious husbands against the gallants are clearly unpicked. In one astonishing scene, Laxton is found out, bought off and then invited in by the nearly-cuckolded "apron husband." Laxton is given a superb performance by Jonathan Hyde, a sinister opportunist whose confessional speech late in the play is one of the evening's highlights.

The verse is sinuous and strong, the prose dripping with glorious sexual innuendo and double meanings. Sebastian (David Troughton) suggests the rich density of the play's social subtext when he accosts his disguised fiancee with the line "a kiss tastes better in a doublet."

There is fine work throughout the company, notably from David Waller as Sir Alexander, Robert O'Mahoney as Laxton's friend Goshawk, Mark Rylance as the powdered and persecuted young Dapper (he takes refuge at one point on the city rooftops) and Alun Armstrong as an exploited villain. The robust music is by Guy Woolfenden.

Jonathan Hyde and Helen Mirren

Israel in Egypt/Barbican Hall

David Murray

Handel's oratorio *Israel in Egypt* used to be a great favourite of the largest choral societies, with its magnificent range and variety of choral writing—and too few arias and duets to let solo singers steal the thunder.

It is a remarkable dramatic conception, one which might easily have failed altogether (as indeed Handel's contemporaries thought it did): the form in which it finally settled gives us a shorter first half describing the bondage of the Israelites, the plagues and the Red Sea crossing, and a longer second half which simply reviews the triumphant escape again and again in thanksgiving and jubilation. In a performance like the Monteverdi Choir's on Tuesday, those exuberant paeans leave no sense that the drama has ended with the narration.

With the excellent band of the English Baroque Soloists, the Choir was conducted by its founder John Eliot Gardiner. The vocal soloists drawn from the Choir—mostly light, bright voices — were too numerous to mention individually, though a special word is due to Suzanne Flowers and Gillian Fisher for their charming soprano duet, and to the alto Michael Chance for his melting account of the aria "Thou shalt bring them in."

The choral work was generally brilliant, preserving contrapuntal clarity and fresh tone even at breakneck speeds—the opening chorus of part 2, "I will sing unto the Lord," was a proper tour de force, surely unmatchable by massive choirs in the old style.

The diction was notable throughout (something for which the Barbican acoustic is positively helpful), and in fact Gardiner's reading of the work was always closely guided by word-sense. Not only was every pictorial effect in the orchestral writing exploited (buzzing strings for the plagues of flies and locusts, dark watery depths for the overwhelming of Pharaoh's forces), but tricks of declamation too (hard, brittle articulation for "He gave them hailstones," for example).

Enough of that is obviously presupposed in the music to justify Gardiner's theatrical emphases, and it added lively immediacy, to a thoroughly rewarding performance. The period-style instruments were well-behaved and well-tuned. Handel oratorios rarely sounded so alert, crisp and bracing; Gardiner's work, widely admired, establishes a standard.

Peter Hill/BMIC, Stratford Place, W.1

Andrew Clements

The British Music Information Centre has got itself a new piano. To mark the event and to show its gratitude to the charitable trust that covered the cost, the centre has been presenting a series of 14 recitals of British piano music from Sterndale Bennett to the present day, under the title of the "Dr Radcliffe Recitals." On Tuesday Peter Hill gave the 12th of them, a programme of Brian Dennis, Douglas Young, Howard Skempton and Nigel Osborne.

Osborne's piano sonata, receiving its first British performance, was in every respect the most substantial work on display: three movements, an obsessive prelude and tripartite "Polonaise" pivoted about a turbulent high-pressure "Poème." Osborne's work so often has a literary or political thread running through it, one speculates on the extra-musical origins of the sonata. The title of the finale, in particular, suggests all kinds of associations; Osborne studied in Poland and has often returned there. One's only disappointment with the piece lies in the scale of the central "Poème," which suggests a movement of greater expansiveness than it is. As it stands, however, the sonata is tightly argued, insistently commanding music with considerable presence.

The remaining works were markedly less weighty, though Young's *Columba*, a chorale-like tribute to Dallapiccola based on a thematic fragment from his *Sicut Umbra*, was a gravely beautiful study in keyboard sonority. Young's *River*, the first in a projected cycle, was less compelling, and it was unfortunate that its Debussyan harmonies followed hard upon Dennis's *Nocturne; Bright Lights* which offered only commonplaces from a impressionistic style recalling Cyril Scott or even Szymanowski.

Howard Skempton's six miniatures, each exploring a single idea with the minimum of fuss and a good deal of elegance, were a perfect foil for the exertions of the Osborne after them; Mr Hill delivered the multiplicity of styles in his programme with equal care and accuracy.

Record Review/Ronald Crichton

The restoration of Rossini and other pleasures

Rossini Sins of my old age. Los Angeles Vocal Arts Ensemble / Guzelimian, Herrera. Nonesuch D-79027

Saint-Saëns Christmas oratorio, op. 12. Soloists / Madrigal Choir & Chamber Orch. of Lyon / Cambreling. Arion ARN 38621

Offenbach La Périchole. Berganza, Carreras, Bacquier/ Orch. and Chor. Capitole Toulouse/Plasson. 2 records in box. French EMI C 167-73093/4 SLS 5276

Poulenc *Les Mamelles de Tirésias*. Duval, Giraudeau/ Orch. and Chor. Opéra-Comique Paris / Cluytens. French EMI C 061-12510

José Van Dam sings French arias (Gounod, Delibes, Bizet, Massenet, Offenbach, Verdi). Van Dam / Monte Carlo PO / Scimone. Erato NUM 75023

Agnes Baltsa Operatic Recital (Mozart, Verdi, Donizetti, Rossini, Mercadante, Mascagni). Baltsa / Munich Radio Orch. Wallberg. EMI ASD 4279

In my last review the axe fell half-way through a paragraph about the Nonesuch selection from Rossini's *Sin of my old age* performed by the Los Angeles Vocal Arts Ensemble — eight singers, two pianists. No excuse needed for a second go. The 13 volumes of small but carefully finished pieces dating from the last (Parisian) decade of Rossini's life are still not widely accessible.

Rossini, one of the least understood of great composers, was a very complex man. He can disconcert middlebrow taste, producing uncertainty how to react, what to take seriously, difficulty in perceiving how much craftsmanship inherited from the 18th-century masters lies behind the Satie-an titles, parodies, mystifications and obsessive settings of some lines ("Mi lagnerò tacendo," etc) by Metastasio.

Here, among others, are such pleasures as the supremely indolent "Les Amants de Séville," "I gondolieri" (whose piano part, sparkling like Guardi wavelets, idealy needs a combination of Cherkassky and Chico Marx), the melancholy "Dodo des enfants" and the "Cats' duet" which, Philip Gossett reveals in his sleeve note, is only partly by Rossini. These are well done by the Los Angeles Ensemble. They need to be. Rossini was the ultimate arbiter of singing: famous artists attended the Saturday evenings where these pieces were privately given. If the master himself could not be persuaded to the keyboard as likely as not Saint-Saëns would oblige. Amateur music-making these evenings may have been, but on the grandest possible level.

At least one number (the fifth—a duet for soprano and baritone) of the younger man's *Christmas Oratorio* (1858) has a late-Rossinian flavour, though the *Petite messe solennelle* which is the obvious point of reference won't work because it was written a few years later. The short oratorio is a product of the years Saint-Saëns spent as organist at the Madeleine, the smartest church in Paris—the post was later filled by Fauré. The remainder of the work gives an idea of the style from which Fauré's Requiem sprang. Not all of it is equally good but the writing, fresh and clear as a pencil drawing by Ingres, is a delightful surprise. The Lyon forces under the gifted Sylvain Cambreling include a most appealing soprano soloist in Michèle Lagrange.

The French EMI *Périchole*, duly digital, boasts two front-rank Spanish stars for the couple of Peruvian street-singers. Berganza does the title-role on her own imperturbable terms. The line is no longer seamless but she remains, for all the Iberian umber in the tone, an eminently classical singer. Her Périchole is a determined, rather formidable person. One misses the Offenbachian feeling that something preposterous might happen at any moment. On the stage, this artist's eloquent eyes might provide the absent dimension.

The Piquillo of Carreras is a success. Both singers have corking accents, both are sufficiently articulate for this not to matter. Bacquier's Viceroy, ably supported by Micheis Sénéchal and Trempont, is splendid. The performance is generally stylish. Perhaps the touch of coarseness in some of Plasson's earlier Offenbach sets was due to bathroomy recording.

The status of *La Périchole* grows with every hearing. I can't say the same of Poulenc's *Les Mamelles de Tirésias*, though many will welcome this re-issue of the old recording based on the Opéra-Comique production. Poulenc was blamed at the time for writing a frivolous-sentimental piece at a moment of crisis during the war. One can understand how his temperament reacted with an explosion of nostalgia for pre-war Parisian fun, but the poise and slender lines of *Les Biches* have gone blowzy and raddled. What is conceivably the best number, the prologue for the theatre director, is so dimly sung here as to put one off the rest in spite of the excellence of Jean Giraudeau and, especially, Denise Duval as the sex-changing husband and wife.

The Belgian bass José Van Dam is one of the finest operatic artists of the day, as versatile as he is serious and reliable. His French opera recital on Erato is equally good for what is on it and how he sings it. A nobly restrained account (in the original French) of King Philip's scene from *Don Carlos*, searching but unmarred by sobs or self-pity, sets the tone. Sung like this, Dappertutto's "Scintille, diamant" from *The Tales of Hoffman* is welcome whether or not the aria formed part of Offenbach's scheme. An excerpt from *Lakmé* and the haunting song of the drunken apprentice Ralph in Bizet's *Fair Maid of Perth* complete the first side.

Apart from Mephistopheles' Serenade from *Faust*, which leaves one eager to hear Van Dam sing the complete role, the second side is devoted to a liberal helping of Massenet. *Hérodiade*, *Thaïs* and *Manon* are briefly illuminated. Sancho Panza's moving defence of his master in *Don Quichotte* loses something out of context. Boniface's "Légende de la saule" from *Le Jongleur de Notre Dame* seems to me to gain — or is it simply that the singer spares us the usual clerical joviality All these are sung with silken legato, tone clear as spring-water and immaculate diction. Van Dam is now at the height of his powers. Since we hear him so rarely in the flesh this record is doubly recommendable.

Agnes Baltsa, whose Carmen at Covent Garden was highly praised the other day, is one of the most striking mezzos to come to the fore in recent years. The refulgent timbre (with some deterioration at the bottom of the scale) comes over so well on her recital disc that one is at first at a loss to explain a slightly disappointing total effect. There is little trace of the magnetic stage personality, but plenty of energy and some flexibility. Yet dull words (all Italian) iron out the music's character and everything sounds more or less the same — Rossini (three arias), Mozart ("Parto, parto" from *Titus*), Mercadante (from *Il giuramento* — mellifluous), Donizetti and Verdi (one each) and the usual show-stopper from *Cavalleria rusticana*.

Sankai Juku/Sadler's Wells

Clement Crisp

The group of Japanese dancer-mimes, Sankai Juku, came first to the Wells last autumn. Their performance then—in *Kinkan Shonen*—like their present offering, *Jomon Sho*, which opened on Tuesday, is a form of ritual concerned with certain basic relationships of man with a dream world of memory, cast in hieratic and often stunning visual symbols. Five men, led by producer-choreographer Ushio Amagatsu, are seen as bare, white-powdered figures. In slow, long-drawn-out sequences they explore a ceremony whose import we may but partially understand, but whose imaginative power is intense, and intensely communicated. I do not pretend to comprehend what we saw on Tuesday. The cast descended on ropes from the flies, like spiders dropping down on a thread, and we were embarked upon one of those exercises which work more by allusion than by direct statement. Mr Amagatsu's movement language is deliberate, frequently contorted and distressed, relying upon little scratchings and mouthings, clawings and leaden progressions across the stage, as this "homage to pre-history" takes its uninterrupted (no interval) 80-minute course.

There is little colour save the whitened bodies of the performers (Mr Amagatsu in one solo wears a red kilt) and the two huge golden circles that the men manipulate in one hypnotic sequence. Time-suspended contemplation of the rite seems central to enjoyment of the show, and if your taste is for such attempts at evoking an archaic past, then *Jomon Sho* does it very well.

The contortions and tensions of the bodies, culminating in a writhing, repetitive final cadenza, represent a very "other" way of movement; there is a haunting, richly sonorous score by Yasukasu Sato replete with drummings and whistlings and bird-cry flutings, and an odd—and oddly compelling—sense of purpose. There are also resolutely poetic programme notes: fortunately the real poetry of the evening is in the performance.

Short of Mutiny/Stratford East

Martin Hoyle

It took some time to realise where I'd already met much of Daniel Mornin's abrasive below-decks comedy. *The Long and the Short and the Tall? Chips with Everything?* Both plays touch on life among the ranks in the armed forces.

But there was another point of reference for this claustrophobic study of men in enforced proximity, many of them society's misfits, thriving or breaking under a rigidly disciplined hierarchical system. It was our old friend, the prison movie. According to this play, Her Majesty's senior service resembles nothing so much as a jail, with *HMS Arcadia* here portrayed as a particularly tough penal colony for recidivists.

As in all prison stories there's an escape. Animal, an inarticulate, foul-mouthed AB, makes a break for it after being sentenced on disciplinary charges. Tragedy ensues. Most of his messmates seem set to be lifers, however. Grievances and near-rebellion are outweighed by sheer habit or the hopeless realisation that the ship's iron womb is preferable to the world outside.

The author's attempts to leaven the relentlessly aggressive mood (no mutiny, one feels, would succeed since the men seem to loathe one another more than they do the officers) are occasionally funny, sometimes approaching caricature. Plummy-voiced or fatuously bland, the officers sail perilously close to the *Navy Lark* wind.

References to incompetent manoeuvres, with coffee spilt on the nuclear warhead whose existence nobody is officially meant to recognise, suggest that the author abandoned a lighter approach for a misanthropic glare at the racism, frustrated violence and social inadequacy that make any nice girl unlikely to love a sailor today.

Yet post-Falkland opinion is painfully aware that the navy is not all bumbling war-games, housemasterly captains and a rabble press-ganged by unemployment. Philip Hedley's fluent production can't persuade us that this story is any more than the old one about the Englishman, the Irishman and the Scotsman—with nobody winning out.

The messmates are uniformly well-acted, from the near-manic bounce of Jeremy Flynn's compulsive joker to the tortured incoherence of Louis Mellis's Animal, whose cry of "I hate everything but the booze" crowns a litany of baffled bitterness.

A Viennese theme for the International Edinburgh Festival 1983

John Drummond, announcing full plans for his fifth and final programme as Edinburgh International Festival Director, warned that performing facilities in the city were in need of drastic improvement if the Festival's stature and attraction to leading foreign companies were to be preserved.

There is a Viennese theme for 1983 with a major exhibition, *Vienna 1900*, at its centre in the National Museum of Antiquities of Scotland. The Festival, from August 21 to September 10, plays host for the fourth time to the Hamburg State Opera with productions of *Die Zauberflöte* and two one-act operas by Schoenberg's teacher and brother-in-law Alexander von Zemlinsky. Both operas, *A Florentine Tragedy* and *The Birthday of the Infanta* are based on stories by Oscar Wilde.

Ballet Rambert make their first visit to the Festival with two programmes, one of which includes a new piece choreographed by Glen Tetley: *Mörder Hoffnung der Frauen* is based on a play by the painter Kokoschka and danced to Schoenberg's *Chamber Symphony, op 9*.

A strong drama programme includes the Glasgow Citizens' version of Hofmannsthal's *Rosenkavalier*, a libretto originally conceived as a play and, also from the Citizens', *The Last Days of Mankind* by the great Viennese essayist Karl Kraus.

The Spanish actress Nuria Espert brings her company in Lorca's *Dona Rosita* and John McGrath's Scottish 7:84 company joins the official programme for the first time with an Aristophanes event titled *Women in Power*.

The Concertgebouw Orchestra under Bernard Haitink will give two programmes, one including Mahler's Fourth Symphony with Maria Ewing as soloist. The music programme also includes visits by the Czech Philharmonic Orchestra and the Opera Theatre of St Louis, the first American opera company to appear at the Festival—they bring Delius's *Fennimore and Gerda* and a new opera, by Stephen Paulus, *The Postman Always Rings Twice* from the twice-filmed novel by James M. Cain.

Four exhibitions will trace 100 years of Scottish painting and design. From Haifa comes a controversial anti-Zionist play *The Soul of a Jew* performed in English and Hebrew. Alistair Cooke will be in town, as will Shura Cherkassky, Hans Hotter, Elisabeth Söderström, the Labèque sisters, Charles Rosen and Ileana Cotrubas.

The Festival brochure, clearly and colourfully designed, is available from the new London office at 44 Chandos Place (Tel 01-839 2611) as well as from the Edinburgh office in Market Street (Tel 031 226 4001).

With financial constraints on the Festival more pressing than ever, Mr Drummond claimed that the Festival brought about £20m each year into Edinburgh.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

April 22–28

Exhibitions

WEST GERMANY

Cologne, Rautenstrauch-Joost Museum: The only German venue of an exhibition featuring 2,000 Mexican wooden dance and death masks. Also Pre-Columbian objects on loan from the Instituto Nacional de Antropologia e Historia in Mexico City. Ends May 15.

Hanover, Kestner Gesellschaft, 18 Warmbüchenstrasse: The complete graphic work of Oskar Kokoschka, the Austrian expressionist, carefully guarded against daylight so as not to damage the delicate water colours and drawings. Ends May 15.

Cologne, Kunsthalle, 1 Josef Haubrich Hof: Georges Rouault – 260 paintings, water colours, gouaches and graphics. Ends May 8.

Hamburg, Museum für Völkerkunde, 64 Rothenbaumchaussee: The Museum for Ethnology is showing arts and crafts from Guizhou (Southwest China). Ends April 30.

Cologne, Wallraf-Richartz-Museum, An der Rechtsschule: Irish art of three thousand years comprises virtually all Irish national treasures on loan from the Irish National Museum, Trinity College, Dublin, and Irish Academy of Sciences. Manuscripts, relics of Irish Saints and utensils from the workshop of Irish monasteries; silverware; and gold and silver jewellery. Ends June 2.

Munich, Kunstverein, 4 Galeriestraße: City Jungle has 120 huge drawings and photographs by eight contemporary Berlin artists showing the desolate and brutal side of big city life. Ends May 1.

Berlin, Antikenmuseum, 1 Schlosstrasse: Animal Depictions Over Four Thousand Years has more than 250 bronzes, vases and terracotta sculptures of hunting scenes and domesticated animals. The works range from the times of the Egyptian Pharaoes to the end of the Middle Ages. Ends May 5.

Mainz, Mittelrheinisches Landesmuseum, 49 Grosse Bleiche: In honour of the year's 500th anniversary of Martin Luther's birth, the museum is showing original drafts, documents, models and photographs recording the conception and realization of a number of public memorials to the great reformer in the 19th century. Closes at the end of May.

PARIS

Claude Gellée or Le Lorrain (1600-1682), as his name indicates, was born in Lorraine but spend his creative years in Rome. He was a painter of luminous landscapes and a poet of the sea. He influenced Turner and Monet and was admired by Goethe and Keats. His love of nature charmed the English, yet his compatriots failed to appreciate him fully. Thus many of the oils, drawings and engravings in this exhibition, significantly organised on the initiative of the National Gallery of Washington, will be seen for the first time in France. Grand Palais. Closed Tue. Ends May 16 (260 3926)

Edouard Manet: An exceptional retrospective marks the 100th anniversary of the artist's death including Olympia, the Bar at the Folies Bergeres, Nana and Dejeuner sur l'Herbe. Paintings, which at the time created such a scandal, are now seen as classics in the tradition of Franz Hals and Velasquez, whom Manet revered. Yet at the same time they are a homage to one of the first impressionists and a pioneer of modern art. Grand Palais, April 16 – August 1, closed Tue. Late night Wed till 10pm (261 5410).

VIENNA

Hermes Villa, Lainzer Tiergarten: Heinrich von Ferstel – buildings and projects for Viennaa to commemorate the centennary of the birth, of the architect whose projects, realised and unrealised revolutionised the architecture of his time. The architect of the Votivkirche in Vienna is renowned not only for his "modern" designs but also for his use of new techniques.

NEW YORK

Metropolitan Museum of Art: Those overwhelmed by the sheer volume of art at the Vatican will much appreciate the present loan of 230 choice pieces, including the Apollo Belvedere, Caravaggio's The Deposition and even modern pieces by Matisse in what the museum is calling its show of a decade. Ends June 12

Whitney Museum: Films and videotapes by 30 artists highlight the 62nd Biennial for American artists, including Frank Stella and Jasper Johns among the 76 artists represented by 124 works. Ends May 22.

WASHINGTON

National Gallery: Seven major series by sculptor David Smith are represented in the 60 large works in welded metal included in the exhibit. Ends April 24 (357 2700)

CHICAGO

Chicago Historical Society: Besides a permanent collection with a visual biography of Lincoln, audio-visual account of the great fire and daily demonstrations of weaving and candlemaking, this regional institution has a special show of something Chicagoans must know well: cold-weather clothing over the last century. Ends May 1.

Museum of Contemporary Art: To complement the museum's self-appointed task of documenting American unschooled naif painters comes an exhibit of 47 unschooled German painters of the 20th century, among them Adalbert Trillhaase, the Bible-painting clerk who inspired Düsseldorf realists early this century. Ends May 22.

BRUSSELS

Société Générale de Banque: Art Nouveau to Today – 100 years of European glass. Ends May 20.

ITALY

Milan, State Archives: Ludovico il Moro, his City and his Court (1480-1499). Ends May 2.

Venice, Museo Correr: Eighteenth century engraving. Ends June 5.

F.T. CROSSWORD PUZZLE No. 5,158

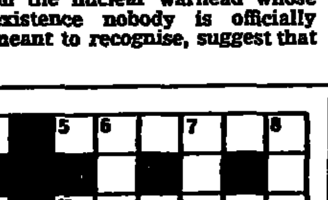
ACROSS

1 Money, nothing more, for fabric (8)
5 Kind of route to observe the devil, we hear (6)
9 Railwaymen project for child (8)
10 Abuse contains ultimately a hidden part (6)
12 Turkey before the cook? (4-5)
13 The girl's sort of green (5)
14 Game loses wings. That's good fortune? (4)
16 Closing stage on board (7)
19 Here in France, tend to be moved to action (7)
21 19's name (4)
24 Pick-me-up action, perhaps, after losing head (5)
25 Certificate you could be indebted to (9)
27 One forced to leave, i.e. germ being treated (6)
28 Put down name and job. That shows the way (8)
29 Rules about language giving strain after offence to audience (6)
30 One who did 19? (8)

DOWN

1, 2 F.T. spokesman's address? (6, 6)
3 Cricketer, no novice, is a runner (5)
4 Search for answer in display structure (7)
6 Plane almost at agreement (9)
7 Tuna I call endlessly could be to do with sailors (8)
8 To provide for round the tube (8)
11 Port suitable for cars (4)
15 Hives will give stinging effect (9)
17 Lethargic, with no particular leaning (8)
18 Sad, I can move to North of peninsula (8)
20 Ineffective English dandy (4)
21 Wiring cases over second-class fish (7)
22 Remove a switch (3-3)
23 Roll in waves to endure great heat (first out) (6)
26 Nothing on tune's top piece of music (5)

Solution to Puzzle No. 5,157



FINANCIAL TIMES

BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000

Thursday April 28 1983

No blueprint for cable

THERE is a confusion of purpose underlying the British Government's plans for cable. This confusion is fully reflected in yesterday's White Paper.

In the beginning—and the beginning of this story is less than two years ago—the Industry Department, and in particular Mr Kenneth Baker, the Information Technology Minister, had a vision of a far-reaching revolution in Britain's communications infrastructure. The plan was to "recable Britain"—to introduce a new, wide-band network using optical fibre cables and connecting these cables to the consumer by the advanced switched star system. By the time the 1990s arrived, and the world of home banking, home shopping, and other forms of two-way, interactive communication was upon us, Britain would have the infrastructure in place to exploit it. Meanwhile, Britain's industry would ride out into world markets on the back of this far-sighted investment at home.

But how to pay for it? The solution hit upon was to offer the British consumer a vast expansion of entertainment via cable. In the short term, it is to be the consumer of television programmes who is to fund the investment in the new communications technology. But as Mr Baker put it to the House of Commons: "It is the range of new non-broadcasting services which is the raison d'etre for the expansion.

Debate

The promise of cable television has led the Government into a subsidiary debate about broadcasting, a debate which has mirrored a sharp ideological divide within the modern Tory Party. On the one hand, the radical right has argued the libertarian case for the abandonment of controls, so that the marketplace can decide what it is prepared to pay to see: on the other hand, the traditional paternalist right, appropriately represented by Mr William Whitelaw and the Home Ojce, has presented the case for maintaining public service broadcasting, and imposing from the centre standards of taste and decency. At the heart of this paternalist case, which covers a broad political spectrum outside the Tory Party, hovers the BBC which the paternalists usually see as the keeper of the nation's broadcasting conscience.

Yesterday's White Paper is the latest attempt to square all these circles. If the proposals it has come up with fail to do so, nobody should be surprised. Inevitably, these proposals are awash with compromise and with objectives that are not always compatible. On the central question of the broadcasting debate, the Government wants controls to be light and flexible; but it wants Cable TV subject to restrictions that will protect existing broadcasting and telecommunications services. On t echnology, it wants to see fibre optics and switched star systems installed; but it recognises that in the short term, these are too expensive. So it has structured a franchising system for cable providers with an unconvincing-looking incentive to invest in leading-edge technology.

The cable debate is likely to move now from the Home Office territory of broadcasting standards to the Industry Department arena of making the beast work. The White Paper expects Briisth Telecom and Mercury to be widely involved in cable consortia. Potential consortia have been struggling with the economics of cable laying. They have found that the numbers begin to add up only when British Telecom and Mercury under Britain's city streets are available to them—otherwise the economics of laying new cables drown in a sea of civil engineering expenditure.

But in trying to square another circle, the White Paper appears to point in two directions at once. At one point, it says the provision of voice channels are to be the "exclusive privilege of BT and Mercury"; at another, BT and Mercury can offer them "either alone or in partnership with a cable operator." This could mean that cable consortia can expect some share of voice traffic revenue to help fund the very high investment in new cable systems.

High risk

The uncertainties only serve to underline the high risk nature of the investment in cable that the White Paper is seeking to promote. The investors in TVam, not to mention the investors in big city cable in the United States, have plenty of hard lessons to teach potential UK cable consortia. It is by no means certain that the British consumer will be prepared to pay for Mr Baker's new technology in the way that the White Paper prescribes. In all probability, the twin debates on how to rewire Britain and what sort of broadcasting system the nation wants have only just begun.

Different ways of voting

THE DETAILS of electoral law matter, possibly even in a country generally accepted as a democracy to the point of affecting the election result. For example, there are about 225,000 Britons of voting age living in the rest of the European Community. Very few of them are able to vote here because the qualification depends on being registered in a constituency at a particular time. There are perhaps three million Britons scattered around the world to whom the same considerations apply.

There are also some oddities affecting British residents. At present, the qualifying date for being on the electoral register is October 10. Since that more or less coincides with the start of the academic year, it can create problems for students who may not be sure where they will be living.

It is therefore important that the electoral law should be frequently examined to see whether anomalies have crept in and how they can be corrected. This service has been performed by the Select Committee on Home Affairs whose report on the Representation of the People Acts appeared yesterday.

One of its merits is its moderation. There should be no question, it says—as has been sometimes suggested on the right wing of the Tory Party—of depriving the Irish in Britain of their right to vote here. As one witness put it: it would be seen as "an act of revenge taken upon a totally innocent community for the acts of some people with whom they have no connection whatever." The answer, the committee recommends, is for the Irish Government to go ahead with its promise of granting reciprocity to the British in Ireland.

The report is also valuable for its findings that the electoral register is much less accurate than it used to be. In 1966 it was thought to be out by about 4 per cent, including both eligible names omitted and redundant names included. In 1981 some 6.5 per cent of those eligible for registration were not included in the register at their qualifying address on October 10, 1980. The figure rose to 9 per cent by the time the register came into force in February 1981 and to 16 per cent by the following February. Moreover, about 7 per cent of the names included should not have been there.

Discrepancies of that magnitude clearly must have some effect on election results. It is not enough to rely on the old British maxim that anyone who wants to be on the register will fill in the necessary form. As the report recommends, more attention must be drawn to the need to do so.

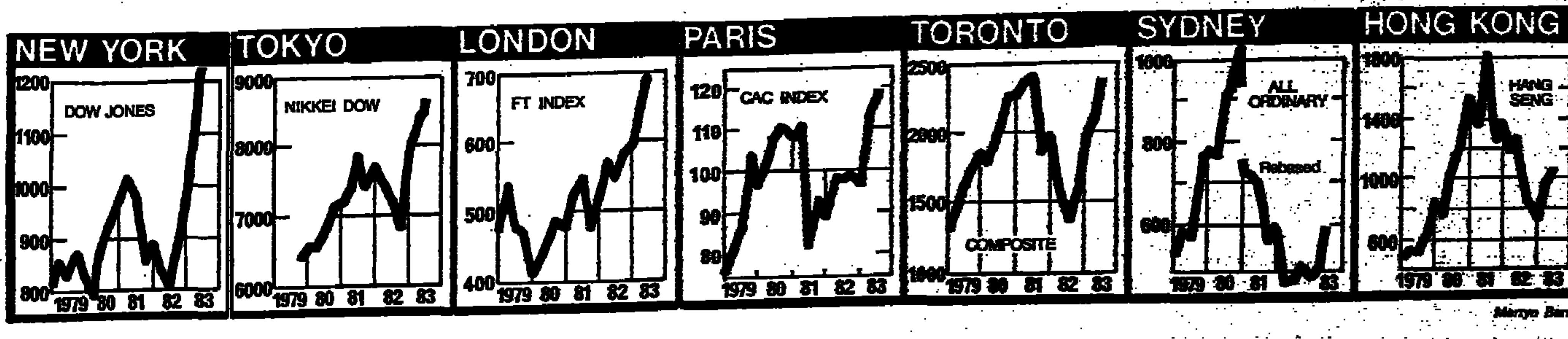
Elsewhere, however, the report is excessively timid and relies overmuch on compromise. There is a case for abolishing the electoral deposit, set at £150 per candidate many decades ago, altogether. There is also a case for raising it, then indexing it. But to raise it to £1,000 and then see what happens, as the committee proposes, is just as arbitrary as the practice it wishes to reform.

Reciprocity

Equally, the committee is right to recommend that all UK citizens resident in EEC countries who have at any time previously lived in the UK should be permitted to vote in British Parliamentary elections, and that their vote should be exercised in the constituency in which they were last registered or where they retain a residential property. One reason why is that there are already special arrangements for the "service" vote which covers mainly soldiers and diplomats. It is wrong that those who go abroad for other purposes — such as commerce or education — should be discriminated against.

Yet the heart of the matter is reciprocity. It ought to be possible within the European Community to work out a system under which people can choose to vote either in their country of origin or in the country in which they are living. It would be discrimination the other way to allow them to vote in both. That is a question which will concern the elections to the European Parliament next year quite as much as national elections. Movement across frontiers within the Community will presumably continue to increase; it is time that there were agreed voting procedures.

NEW STOCK MARKET HIGHS



Martyn Barnes

Records all over the place

By John Makinson

TOMORROW MORNING the Stockholm stock exchange will close its doors and suspend trading, the first occasion it has done so in peace-time since the 1930s, when the collapse of the matchstick empire built up by Mr Ever Krueger created pandemonium in Sweden and provoked the suicide of that unfortunate entrepreneur.

This time the problem is not a market crash: quite the reverse. Share prices in Stockholm have leapt by more than 50 per cent this year and, with trading volume running at more than three times the level of a year ago, the exchange's computer has been simply unable to cope. So business has been halted for seven days while the exchange's central registry catches up.

The Stockholm experience is being mirrored in miniature on all the world's principal stock markets. The three largest—New York, Tokyo and London—now stand at their best levels ever, in nominal terms at least. And the volume of business being transacted is high enough to make stockbrokers around the world contemplate early retirement.

Over the past two days, the Dow Jones Industrial Average has pushed through the 1,200 mark for the first time in New York while the FT Industrial Ordinary Index finally breached 700 in London yesterday although it fell back to just below this mark at the close. Neither of these two indices is necessarily a reliable guide to the performance of the market as a whole, but they are widely followed and their arrival at a particular "big number" often serves to reinforce confidence.

Both indices do, however, provide an accurate barometer of the performance of leading industrial, or blue-chip, companies. And it is precisely these companies, often overlooked by investors during the recession, which are now driving markets higher.

A growing consensus that, at long last, a recovery in industrial output and world trade volume is under way has focused attention on companies in, for example, the chemicals and construction industries. These frequently trade on the stock market at a discount to the value of their assets and after the redundancies and closures of recent years, stand to post substantial profit gains once demand recovers.

The rise in share values is already encouraging companies which have seen their balance sheets torn to ribbons by the recession to reduce their dependence on bank finance by raising fresh equity from shareholders. Last week, Guest, Keen and Nettlefold—a bellwether of the hard-pressed British engineering industry—announced that it was planning a rights issue; yesterday CRA, the Australian resources group, chimed in with a call for A$206.5m and, in the U.S., the big banks look poised to ginger up their financial ratios with an injection of equity capital.

To stock market analysts, a flood of share offerings can have worrying implications. It suggests that finance directors believe that their share price may be near the peak and that they had better put in their appeal for new cash while the going is good.

The world's stock markets have seen several false dawns during the past three years and, at these levels, another one would leave more than a few investors shirtless. But there is, nonetheless, a feeling among analysts that the present international bull market is more solidly based than any of the more modest rallies of the last few years.

Statistics which only a few months ago might have looked like straws in the wind are now being interpreted as hard evidence of a revival. On Tuesday the Confederation of British Industry talked of the first substantial recovery of confidence for nearly seven years, while on the same day West Germany's leading IFO economic research institute reported a similar mood there. Leading indicators in the U.S., such as housing starts and motor vehicle production, are pointing in the right direction.

The trend is perhaps most evident in markets which, over recent years, have appeared pedestrian, if not downright bad investments. The Frankfurt stock exchange, conspicuous for the absence of high-growth or high - technology companies, languished during the early 1980s as investors shunned its long list of capital-intensive, cyclical companies. Since the beginning of this year, however, the market has been as frisky as a five-year-old with the Commerzbank Index bounding ahead by almost 25 per cent to reach its highest level for over 20 years.

Similarly, equity markets with a heavy orientation towards raw materials have been in the vanguard of the world market advance. The Australian All Ordinaries Index topped 600 for the first time since 1981 earlier this week, while the Toronto market's base metal and mineral stocks are finally back in investment favour.

Many investors—from the biggest institutional guns to the small savers—now perceive that equities are cheap not only in relation to the brightening prospects for earnings and dividend growth but also by comparison with alternative homes for their cash.

By any historic standard, interest rates in most industrialised countries are very high when compared with actual—or even expected—rates of inflation.

But the belief that interest rates still have some distance to fall is discouraging investors from keeping their resources in liquid form or, indeed, in the kind of physical assets which tend to show little capital appreciation in times of low inflation. The world's equity and bond markets are therefore benefiting from an infusion of cash into long-term financial assets.

The upshot has been, apart from rising prices, a remarkable level of trading activity on almost all the world's main exchanges. Last week, equity volume in London was averaging about £800m per day or 50 per cent above its norm. Volume has received an additional fillip from the growing willingness of institutional investors to sniff out bargains outside their own borders.

Yet, while the pattern of equity market has taken on an increasingly international character, individual markets are responding to parochial influences as well as to the general faith in economic recovery. The West German market has been buoyed up by the conservative victory in the polls early last month while, in London, confidence that Mrs Thatcher will be returned to power in the next election has provided a sure prop for share prices.

Having said that, however, the present bull markets have one overriding common denominator: a firm, if ill-formulated, belief that the recovery has finally arrived.

The bulls stampede down Wall Street

THE DOW JONES Industrial Average first pushed up to the 1,000 barrier in 1966—and took another 17 years to climb the next 100 points to 1,100. The rise to the 1,200 mark, which was breached on Tuesday afternoon, has taken just nine weeks.

Wall Street is in the grip of an old fashioned bull market, which is broadly based and is pulling in all kinds of investors. Share prices on average have risen by more than 50 per cent since the low point last August, and taxi drivers are starting to talk about their capital gains.

New money is flooding into the market from small savers, through individual retirement accounts and the mutual funds, which clocked up sales of a record $4bn in March, more than four times the level of a year earlier. The big investing institutions are also in there buying.

The pension funds, for instance, allocated only 24 per cent of their new money to equities in 1982, far below the 20-year average of over 50 per cent. They are now said to have stepped up their purchasing significantly, and since their total cash inflows amount to over $25bn a year, their buying power shifts prices.

After the initial surge in the late summer, share prices moved broadly sideways through the winter months, and until the last week or so, most fund managers would probably have agreed with the recent Broker's Circular which carried the strident headline "A correction is coming, a correction is coming." The short interest on the New York stock exchange—which reflects the volume of shares sold by speculators who expect prices to fall—climbed to record levels in the month to mid-April.

But when prices started to rise again rather than weaken, the herd turned on its tracks and stampeded back into the market. The Dow has risen by more than 70 points since the early days of the month.

The immediate explanation for this excitement is that the recovery in corporate profits which Wall Street started to discount last summer is now visibly under way. The first quarter earnings figures which are still flooding across the ticker show that even the capital goods industries are doing a lot better than they were in the final months of 1982.

The message from Dow Chemical was typical: earnings were sharply lower than in the first three months of 1982, but much better than in the final quarter. The company said that with each passing month the sales volume and prices of its main products were improving, and as a result the second half of this year was likely to produce a "dramatic improvement" in profits.

After tax profits for the corporate sector as a whole fell by more than a fifth in 1982. The general view on Wall Street today is that they will rally by roughly a sixth this year, and show further marked gains in 1984. On that basis, the Standard and Poor's 500 index is currently selling at about 11 times its constituents' likely earnings for 1983, which is not a wild multiple by the standards of past bull markets.

However, the rise in share prices on Wall Street and in the rest of the world is based on more than just an upturn in the economic cycle. The fall in the rate of inflation is changing investment patterns in a much more fundamental way.

During the 1970s, savers shifted their resources into tangible goods in order to protect themselves as inflation debased the value of future income streams from financial assets. As the price of real estate, precious metals, antiques and fripperies in general soared, the purchasing value of a share in IBM collapsed. And with interest rates swinging in an increasingly volatile manner, investors did everything they could to protect their capital by avoiding long term bonds and equities and keeping their money liquid.

Now these habits are, at least partly, being reversed. A lower rate of inflation reduces the scape for capital gains on tangible assets, and increases the attractions of an income-yielding investment. As a result, the bulls claim that Wall Street is now in the process of making up for all those dead days in the 1970s.

Meanwhile, the market is only interested in good news. Thus the fall in oil prices was bullish, because on balance it was good for the world's economy, and the recent steadying in the price was also bullish, because it put a floor under the oil company's earnings and all those wobbly looking bank loans to the energy sector and the oil producing countries.

No one took much notice of the poor profit figures which have been coming in from most of the big oil companies — but when Standard Oil of California reported betted-than-expected earnings on Tuesday, the whole market seized the excuse to move higher.

Similarly, it's thought to be rather old fashioned these days to talk about budget deficits and the weight of Treasury borrowing. But interest rates both at the short and long end of the market have not shown any significant fall since last November, when the Dow was as much as 200 points lower than it is today.

There is still a very narrow bridge to be crossed between snuffing out the economic recovery through high interest rates, and refuelling inflation by an attempt to manipulate rates down. As the chairman of IBM put it the other day: "Despite some very favourable signs — especially the first signals of a recovery here in the U.S. — the worldwide economic climate remains very uncertain."

Richard Lambert in New York

Men & Matters

Penney change

All change at the top of J. C. Penney, the second largest U.S. retailing group.

The Board of Directors of the retailing giant which operates an extensive department store network across the U.S., yesterday elected William Howell, aged 47, to take over as chairman from September when Donald Seibert steps down.

The appointment of Howell, the frontrunner for the job, in charge of a group with annual sales of over $11.4bn, completes a senior management reorganisation necessitated by the retirement of several key Penney officers. It also marks a continuing trend within the stores and catalogue group towards a form of Japanese-style consensus management.

Howell, who was executive vice-president of merchandising operations before taking over as vice-chairman last year, will also head up an expanded office of the chairman.

The office, which currently comprises three senior Penney executives including the retiring chairman, is to be bumped up to five with the addition of three executive vice-presidents representing key areas of the group's business. Expansion of the office is a further step in a process initiated by Seibert in an attempt to coordinate and strengthen the group's strategic policy making process.

Howell will clearly be number one. The expanded inner cabinet should ensure him of continued support for the group's aggressive marketing strategy while leaving the question of longer-term succession open.

"Now the dealers are complaining about dirty fingermarks all over their Maestros."

Field work

Soon after Neil Marten (now Sir Neil) was reselected as Conservative Member of Parliament for Banbury at the last General Election, a seat he had held since 1959, he promised himself he would never seek re-election again.

He little realised what a busy time would be ahead of him in his last Parliament. As minister of state at the Foreign Office, and later Minister for Overseas Development, he found himself in almost continuous orbit on government affairs visiting 54 countries in 3½ years.

He temporarily came to rest when he resigned in January preparatory to leaving political life for good. Now he expects to be taking that long trail round the developing countries of the world again in a new role as a consultant for the agricultural industries.

Sir Neil, who is aged 66, is joining the board of a company specialising in agricultural and "agro-industries" problems run by a friend and neighbour of his, agricultural economist, Laurence Gould.

Called *Laurence Gould*, the firm has recently reached a turnover of some £2.5m a year advising on agriculture and providing studies worldwide.

While Marten makes no claim to being a technical man capable of making the desert bloom he will be representing Gould at the top political level on visits to countries anxious to improve their agricultural performances.

In fairyland

Norman Tebbit, Employment Secretary, was in impish mood yesterday when he spoke at a lunch hosted by the National Federation of Building Trades Employers.

He had been pleased, he said, with the address on the first letter he found on his desk in the morning—which read, The Noble and Gallant Rt Hon Norman Tebbit—"that's the right style, I thought."

Then he told a tale about a plaintive letter from the Gnome Manufacturers Association.

Fearful that there had been some form of "ghastly discrimination" against gnomes Tebbit had opened the letter to find a plea from the association that they were being refused the righ to exhibit at the forthcoming Chelsea Flower Show, and intended to picket it.

Tebbit said that, after consultation with his advisers, he decided it should be passed to John Stanley the Housing Minister, because of his responsibility for "gnome construction."

Then, on second thoughts, he had decided it should be passed to Norman Fowler, the Social Services Secretary, "in case it affected the National Elf Service."

There he left it. But matters could have been worse. . . . He could have decided to consult Willie Whitelaw, the Gnome Secretary.

Siberian threat

Information is at a premium in Hong Kong in these somewhat fraught days of concern in the colony over China's intentions once the lease runs out in 1997.

Take that vital question of weather. A colleague rang the Hong Kong Royal Observatory to ask why the colony was suffering its wettest spell this century. An expert was assigned to reply.

"Why is it raining?" asked the eager sleuth. "Can't possibly talk to the press about that," replied the expert.

The matter would have to go through the proper channels in writing.

The answer duly came on the Government's information wire on which weather, traffic and other matters concerning the day-to-day life of Hong Kong figure extensively. The revelation was that cold air from Siberia was meeting warm air from the direction of the South China Sea. Clearly a sensitive subject and not to be treated lightly.

Finally the sun came out a few days ago cheering Hong Kong's damp masses.

My friend has so far forborne from asking why the sun is shining. Beating back the chill Siberian winds has been a sufficiently uphill task for the administration.

Trade craft

The economy is thriving behind prison bars.

Gerry Neale, the Tory MP for Cornwall North, has been pressing to find out what prisoners produce, and the Home Office has duly obliged with a list.

Gone are the days when it was just mailbags. The products now cover an enormous range though it is perhaps not comforting for those of us on the outside to learn that prisoners are using their time profitably by making anti-burglar alarms, ladders and locks.

Lean time

An American couple were standing in front of the leaning tower of Pisa.

"I reckon they ought to have a clock on it" he said. "Why?" she asked.

"Honey, what's the use of having the inclination if you haven't got the time."

Observer

ECONOMIC VIEWPOINT

The tax-income nightmare

By Samuel Brittan

TWO SEPARATE tax systems have grown up in Britain, as in many other countries. There is the income tax system, operated by the Inland Revenue; and the social security system operated by the Department of Health and Social Security (DHSS).

The obvious overlapping of different systems leads to many anomalies, distortions and unintended effects. One complication arises from the juxtaposition of income tax and employees' National Insurance Contributions (NIC). These are levied on a different basis, but are both withdrawn at source under the PAYE (pay as you earn) system. As the employees' NIC is 9 per cent, the marginal tax rate for most wage-earners is 39 per cent and not the 30 per cent given in headlines for the basic rate. Many taxpayers are suspiciously aware that they pay far more than the Chancellor's Budget Day announcements suggest, but apart from that, give up trying to understand.

Another complication is that most families both pay tax and receive benefit.

One of the main reasons why it is difficult to set off benefits against taxes, to have a negative income tax for the poorest and a lower positive income tax for the rest, is the insistence of many influential groups that *child benefit* should be paid to the mother. This may be right; I am not qualified to express a view. But it has implications for the feasibility of negative income tax.

The biggest distortions are, *however*, the well-known "poverty" and unemployment traps. These arise when, as a result of the loss of benefit and liability to tax, there is either no gain, or little gain, from an increase in income or from moving from the dole to modestly paid employment. The "poverty trap" can add to wage pressures; and the unemployment trap swells the jobless totals and could be important in limiting the extent to which economic recovery can go before running into labour bottlenecks even when the headline unemployment figures are high.

The poverty and unemployment traps arise in the Treasury's view because, over the last 25 years, benefits have grown in line with money earnings, while tax thresholds have grown in line with prices, which have risen by less. The traps occur because PAYE is already payable by families receiving means-tested benefits.

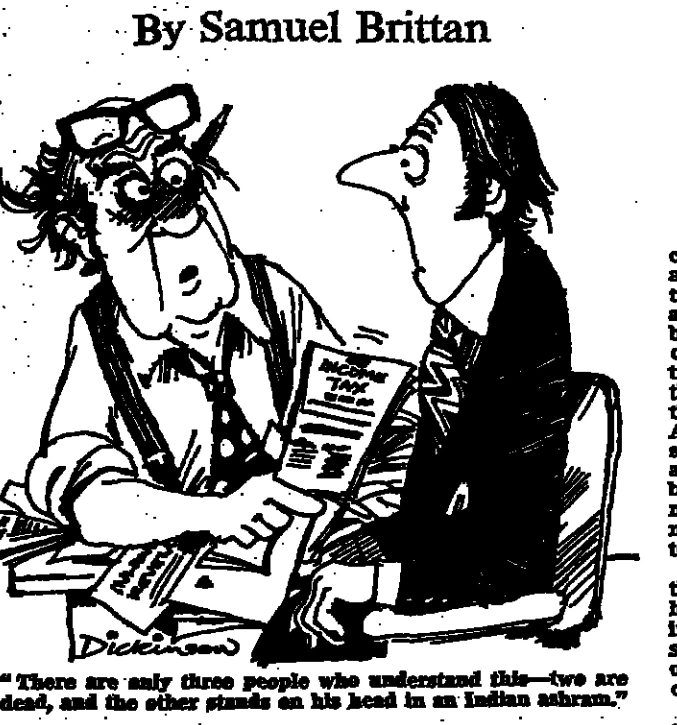
The most important benefit for this purpose is Family Income Supplement (FIS), which aims to top up the receipts of families with low earnings by 50 per cent of the difference between their income and £82.50 a week if the family has one child and £9 more for each extra child. Although it has a low take-up and is received by only 180,000 families, it has the same effect as a 50 per cent theoretical marginal tax rate over a large range of low incomes. Rent and rates rebates are also withdrawn as income rises. *This constitutes another* effective marginal tax of 11 to 16 per cent, and when income tax plus NIC is added, the net effect is a marginal tax rate of over 100 per cent for some households.

Some very high marginal tax rates are due to peculiarities of the system. For instance, the DHSS located in April 1982 a point of gross earnings of just under £5,500 per annum where a family with one bread winner and two young children had a marginal tax rate of 287 per cent because free school meals ended at that point instead of tapering away. Worse than these odd anomalies are the implicit marginal tax rates for much wider income bands. *Households of the above kind* earning from just under £2,500 to over £4,000 paid a tax rate of over 100 per cent, and from there up to nearly £7,000 paid a rate of about 62 per cent.

A sub-committee of the *Commons* Treasury Committee under Mr Michael Meacher has been investigating the "structure of personal income taxation and income support." It hopes to publish its report in the third or fourth week of May.

Labour MPs are interested in a more progressive tax structure; and the Inland Revenue worked out for the committee a scheme *for replacing* the *30* per cent basic rate with six steps starting at 10 per cent and going up by steps of 10 per cent to 60 per cent. It is certainly difficult to defend a system which is highly progressive at the bottom, then degressive, then flat for a very long range, only becoming progressive again for the top 7 per cent of the income range. But a more graduated system would not in itself be very cost-effective in reducing the poverty trap.

Some Conservative MPs are clearly interested in schemes such as Sir Brandon Rhys *Williams' Basic Income Guarantee* or Hermione Parker's Personal Basic Income (PBI). But if these are to make serious inroads on the poverty trap, they are likely to be very expensive. The same applies to the Government's favourite route: the raising of the tax thresholds. The Revenue calculated that to increase them to supplementary benefit level would have cost £8bn a year ago and would have required 10 per cent on the basic rate to finance it in 1982.



"There are only three people who understand this—two are dead, and the other stands on his head in an Indian ashram."

A POSSIBLE UNIFIED TAX SYSTEM

	Revenue Effect per annum £bn
Income tax and employees' NIC* to start at present single person's tax allowance	−3½
Abolition of married allowance	+3½
Abolition of age allowance	+ ½
Abolition of mortgage interest relief	+2½
Abolition of life assurance relief	+ ½
Abolition of upper earnings limit for employees' NIC	+ ½
NIC to be payable on investment income and by old	+1
Abolition of pension fund relief	+1½
	+7
Resulting reduction of combined basic income tax rate, plus employees' NIC	from 39% to 32%

* NIC; National Insurance Contribution

The most cost-effective way of reducing the poverty (and indeed unemployment) traps is almost certainly "as big an increase in child benefit as it is possible to secure," to quote the evidence of a brave DHSS official. As he explains, "there is no question that higher child benefit which is non-taxable and universal, and which does, of course, go to those in work as well as those out of work would help."

There are three basic objectives in the reform of the tax benefit system which conflict with each other:

1—To relieve poverty.

2—To reduce marginal tax rates at the bottom, ie to tackle the poverty and unemployment traps.

3—To minimise the tax burden on those who are net payers.

Any two of these objectives can, over a large range, be achieved together, but not all three. Benefits can be raised and the poverty trap eliminated but at a high cost to the ordinary taxpayer. The poverty trap could be eliminated and the tax burden reduced, but at the expense of lower benefits. Alternatively it might be possible both to increase benefits and to reduce the tax burden, but at the expense of extreme means testing and much worse marginal tax rates at the bottom.

Governments interested in all three objectives will always have to compromise; and no ingenuity with computerised systems of negative income tax or tax credits will eliminate the conflict of objectives.

Not many people have, however noticed that the Treasury presented to the Committee an outline scheme, which does not claim to tackle the whole poverty trap, but does tackle one problem: the unification of the tax and the national insurance collection system. It is certainly not a Government proposal; nor is it official advice to ministers. It is more one the lines: "If you want a radical scheme, this is what it might look like." Some members of the Committee even thought that it was presented to frighten them off radical thoughts; but, tongue in cheek or not, there is much to be said for it.

The main feature is that the NIC would be amalgamated with the basic rate of income tax and would commence at the same threshold and would have no upper limit. There would be a basic personal allowance—which is assumed in the table to be the same as the existing £1,785 single person's allowance. But most special allowances including the married allowance, mortgage and life assurance relief would be eliminated. The combined tax rate would be stable up to a fairly advanced threshold, at which the higher rates would begin.

The biggest cost of such a scheme would be the elimination of NIC on the very low incomes shown in the first line of the table. The most complicated relief to abolish would be that for pension funds, which would involve a review of the whole graduated state pension scheme. If a bold Chancellor went all the way towards this system of fewer allowances and lower basic rates, he might be able to reduce the combined tax plus NIC rates from its present 39 per cent level, to 32 per cent.

But as can be seen, he will offend every vocal lobby in sight. Of course it would be possible to amalgamate tax and NIC, without making all the other changes. But in that case the reform would be mainly presentational and administrative (although on balance worth while) and little would have been done to reduce marginal rates.

The Treasury scheme would involve the end of the contributory basis for National Insurance benefits. The scheme is on a pay-as-you-go basis; and benefits are not closely related to contributions and are in any case often topped up by supplementary benefits. So for most people the contributory fiction is a complication both on the tax and the benefits side: and its loss would be greeted with a sigh of relief. The main increase in benefits from the loss of the contribution principle would be to 3m or so married women and widows, who agreed to pay reduced rate contributions in return for lower benefit.

The loss of the married allowance would affect 12m taxpayers, of whom 6m would still be losers even if child benefit were increased. There would be the loss of special privileges for particular kinds of investment—whether in housing or private pensions. This would be an economic improvement so long as these allowances were phased out gradually without *disruption* to existing mortgage holders or contributors. There would be some loss to pensioners who would share in the burden of NIC contributions from which they are now exempt, but they *would be taxed no more than in* accordance with their means. The net effects would depend in detail on the changes in social security benefits. Even if half the potential saving in tax rates shown in the table were *offset by higher benefits*, the shift to a simpler tax system, and the dismantling of the whole "contributions" bureaucracy would be a major gain.

Lombard

Pre-summit skirmishing

By John Plender

ONE OF THE arguments for economic summitry is that it encourages heads of government to take note of the impact of their policies on other states. It is depressing, then, that with only a month to go before the Williamsburg summit the United States and the European Community are involved in an acrimonious argument over the extraterritorial application of U.S. laws, which could lead to *tension within the Atlantic* Alliance; doubly so, given that echoes of the Soviet gas pipeline saga are omnipresent.

The focus of the row is the Bill to renew the U.S. Export Administration Act, which provided the Reagan Administration with the means last year to penalise subsidiaries of American companies and foreign licensees that supplied oil and gas equipment to the Soviet Union. The present Act expires *in September and* the new *draft* would give the President enhanced powers to shut out imports from any foreign company that the U.S. government deemed to have violated export controls imposed for reasons of national security.

In response to pressure the Administration has marginally softened the retroactive aspect of the penalty by conceding that export embargoes should not apply for 270 days to existing contracts. Yet this provides scant consolation to capital goods and other producers whose contracts run for extended periods. And the President has rubbed salt into the wound with the announcement that the U.S. is seeking a fresh long-term grain agreement with the Russians—despite the lack of clear-cut improvement in the situation in Poland, to which the denial of long-term grain sales was linked.

Other familiar background noises have come from Mr Lawrence Brady, an assistant secretary in the Commerce Department, who has been castigating Western Europeans for their lack of enthusiasm for controls over economic relations *with the Soviet bloc*. Mr Claude Cheysson, meantime, has lost his appetite for official dinners hosted by Americans—something that has a way of happening when East-West trade issues come up.

A cynic might argue that this all adds up to a text-book exercise in the use of economic leverage for foreign policy ends—by the Soviet Union. Having *first* spread discord in the Alliance camp by offering the carrot of pipeline contracts, after Afghanistan and before Poland, they have wielded a stick against the United States by refusing short term offers of additional grain. With the U.S. share of the Soviet grain market down from 70 per cent to little more than 20 per cent, the President needs a long-term deal, sanctity of contract guaranteed, to mitigate the catastrophic decline in farm incomes—and, who knows, perhaps to pave the way to his own re-election.

A more positive approach would be to say that this demonstration of double standards provides useful ammunition to the Community on the issue of foreign policy controls over trade, while taking some of the pressure out of the argument on agricultural subsidies.

This time, moreover, the Community has taken a tilt at the extraterritorial target before the damage has been done to individual companies. And with unemployment higher than it was a year ago, the balance of trade deteriorating under the influence of an over-valued dollar and American business deeply worried about the loss of exports, effective lobbying in Congress and elsewhere could well bring the Europeans concessions.

However, the United States and Western Europe still have fundamentally different commercial interests in East-West relations, which means that the continuing attempt to revise the Cocom list of militarily sensitive goods and technologies can only be difficult. And they have very different attitudes to the protection of sovereign prerogatives. On the first score it would help if the United States could be persuaded to accept that the Europeans are unlikely to fall into line. On the second, why not put the issue of extraterritoriality on the international agenda?

Letters to the Editor

Fear of statutory controls on the Press

From Mr F. Allaun, MP

Sir,—I read with great interest *your editorial* of April 21 "Constraints on the Press" regarding the Right of Reply Bill.

While I hope that you are right in *suggesting* that the support for my Bill will make the Press Council more effective, *I have some doubt about* that result. It so happens that the Press Council originated from a resolution of my own branch in Manchester of the National Union of Journalists, carried in 1947. That later became *the policy of the NUJ*, and subsequently the Press Council was set up. As you will know, the union has now withdrawn from the Press Council on several grounds.

There is the long delay in coming to a conclusion about complaints, by which time the damage is done and is often irreparable. There is the feeling that the Press Council is overloaded with, and overinfluenced by, the representatives of those who are primarily responsible, the Press proprietors. And, as you point out, there is no requirement for the adjudications of the Press Council to be printed in the guilty newspaper, or in other papers.

I respect the serious consideration your editorial has given the matter, but I think it would have been greatly strengthened if you had mentioned that a measure similar to the proposed Right of Reply has been successfully in operation for many years in Canada, West Germany, France, Denmark and a number of other countries. Indeed, I was 'phoned recently by the London correspondent of a famous West German paper who said that in his country they were amazed that this did not operate in Britain. He said that it was a fairly regular occurrence *for factual* corrections to appear in the Press, indeed even in his own paper, which I can say is highly respected throughout the world.

So I do not see why there should be such great fear of *statutory* controls, *if* self-regulation fails, as it clearly is doing. In the countries I have mentioned, there is no suggestion that the freedom of the Press is being restricted. The Right of Reply is no panacea; it is a limited measure to provide the ordinary man and woman with a little more opportunity of defence against unfair attacks, whether deliberate or accidental, by the increasingly monopolistic Press in Britain.

Frank Allaun.
House of Commons, SW1.

From Mr D. MacShane

Sir,—In your listing of the Press Council's shortcomings (April 21) you miss out the most important. And that is that the Press Council is almost entirely funded by national and provincial newspaper proprietors. The Press Council's ineffectiveness is unlikely to be remedied while *its income comes from* those wedded to maintaining the *status quo* in Europe's most lopsided press.

Denis MacShane.
2, route de Loex,
1213, Geneva.

Pakistan's political scene

From Mr J. Ahmad

Sir,—In his survey of Pakistan's political scene (April 19) Alain Cass criticised President Zia-ul Haq as a military ruler for assuming power too long and has put pressure on Pakistan to return to democracy. He *goes* on to say that recent Karachi riots between Shias and Sunnis were the inevitable consequence of President Zia's accent on Islam.

The situation which currently prevails in Pakistan also exists *in many other Muslim countries*. The great problem of modern politics is how to create democracy in these countries. The alternative to Zia's regime may not be greater democracy and enhancement of political consensus but the advent of even more repression, more brutality and more suffering. Most Pakistanis regard military rule in Pakistan as largely symbolic which certainly limits political rights but is no impediment to normal life and commerce. The political parties in Pakistan are in complete disarray and their chances to provide an alternative government are quite slim.

In almost every Islamic country there are numerous Islamic groups, each presenting its teaching as the true Islam. Relations between these groups are not always cordial, though they are brothers in Islam. They differ in their understanding of religion, the analysis of social problems and how to handle them. The recent clashes between the Sunnis and Shias at Karachi, and indeed in other Muslim countries periodically, is a part of an old argument and it should not tempt observers to say that it was the result of President Zia's Islamisation programme.

There has always been a sharp controversy about what an Islamic state should be. Pakistan has been struggling relentlessly to legislate and regulate its affairs according to the laws of Islam. This is a huge task. The Islamisation drive of Pakistan under Zia has less menacing *political overtones* than almost every Muslim country and its manifestations provide credence and justification to the creation of Pakistan. Islam is an effective instrument which is likely to bind together the people of all the regions of Pakistan.

Jamil Ahmad,
14 Charminster Avenue, SW19

Electricity's structure

From the Chairman, Central Electricity Generating Board

Sir,—Ray Dafter is normally accurate and perceptive and it is therefore with both sorrow and surprise that I write to say that his article (April 20) on the CEGB reorganisation plan could be misinterpreted.

The CEGB is going through great changes as the number of power stations decreases and *the individual size of each one* increases. That in itself means staff reductions which, as a matter of policy, we meet by natural wastage, voluntary redundancy and restricted recruitment. We plan no change in that policy. Because of these changes to which we are led by technology and economics, however, our regional management structure which has served us well in the past is increasingly inappropriate.

We propose, therefore, *gradually* to phase out that existing structure and put in its place a single corporate management. But we will make that change by common-sense evolution over the course of years and we will certainly not centralise the management in London. We will have a geographically dispersed management, just as we have now, but the reporting chains and accountabilities of individuals will be different and more appropriate to the circumstances we anticipate for the future. A detailed blueprint for this transformation does not exist.

There is a fine tradition of consultation and discussion in this industry and a detailed blueprint will not be produced until that consultation has taken place. All I have done, therefore, is issue guidelines whose implementation can be discussed over the next year or so.

(Sir) Walter Marshall.
Sudbury House,
15, Newgate Street, EC1.

Design is of the essence

From the Acting Director, Engineering Design Centre, University of Technology.

Sir,—Hardly a week goes by before we read yet another commentary on the demise of research *and development* in either general or specific terms.

Kenneth Owen's article "Integration is still the problem" (April 20), states, "In the past we have failed to marshal our cleverness effectively and the 'clever' R and D people have tended to work in isolation from the manufacturing and marketing masses."

Both the general and specific cases demand the same answer and action; unless personages such as Dr Duncan Davies, Sir Bruce Williams and others recognise that the only integrator of R and D, manufacturing and marketing is design then any increases in so-called R and D spending will yield little. No mention of the word design is made in the article.

It is lack of recognition and understanding of this single fundamental truism that is inhibiting our growth.

Stuart Pugh,
University of Technology,
Loughborough,
Leics.

Expertise in Barbados

From the Prime Minister of Barbados

Sir,—I enclose a copy of the advertisement which our National Bank published in your newspaper on March 17 and which listed "baking" among the expertise required of a *potential managing* director.

Notwithstanding the FT's error about a small national bank in the Caribbean I would wish to assure all concerned that while the bank deals in dough and hands out bread, it gets it by printing rather than by baking.

J. M. G. Adams.
Bridgetown,
Barbados.

FINANCIAL TIMES
Thursday April 28 1983

Western salesmen return to Tehran

BY KATHLEEN EVANS IN TEHRAN

FOR THE FIRST time for four years, Western businessmen are returning to Tehran. Until the beginning of this year, only a trickle of the more daring salesmen were venturing into post-revolutionary Iran, but in the last few months that trickle has turned into a veritable flood – by Iranian standards.

Tehran is now full of trade delegations – with Italian, British and Japanese groups in evidence this week – many of them officially organised tours led by government ministers.

Nevertheless, Iran is still following the Khomeini slogan of "neither East nor West," and the hotels are still full of businesmen from the Eastern European countries, North Korea, Turkey and other Third World and Islamic nations. The Islamic republic has an official trading policy of preference for business ties with Islamic nations, as was demonstrated clearly last week with the agreement with Turkey.

Under the new accord, bilateral trade will be boosted 25 per cent from its 1982 level. This week also Mr Nezhad Hosseinian, Iran's transport minister, left for Peking with a 16-man team of road and railway technicians.

Yet Iranian officials are saying privately that their experience with Eastern bloc goods has not been good at times, and now they are looking for quality goods and services from Western nations. Visiting businessmen sense a new air of pragmatism from Iranian Government institutions and a desire to see Western companies return to Iran to compete in the market. A visit this week by the UK Federation of Manufacturers of Construction Equipment and Cranes was asked." Where have you been all this time?" Delegation members could only blink in amazement.

Western diplomats in Tehran are quietly enthusiastic about the potential of the Iranian market. "You could say it is the only growth market in the Middle East now," remarked one diplomat. Iran has little foreign debt now, and has, since the revolution, earned itself an excellent payment record. There are, however, still substantial sums owed to Western companies for seizures of joint ventures, and still a number of continuing disputes on projects. But this has not stopped many from having a second fresh look at the market and establishing relations with the new revolutionary authorities.

For the government officials involved, the present flood of Western salesmen is still sensitive, and is usually played down in the official media. Naturally, business contacts with the U.S. are still unacceptable, and because of the military links of France and the Soviet Union with Iraq those nations are still, commercially speaking, taboo. This has left the market open for West Germany, Japan, Turkey, and the UK, which are currently the top five exporting countries to Iran.

German business achieved $1.4bn worth of contracts last year, followed by Japan with $934m (or possibly much more when the time lag is taken into account). Britain captured only 5 per cent of the market with £334m ($525m) worth of exports, but that figure is expected to reach £400m within two years. Some British officials feel that might reach pre-revolution figures; "The signs are very propitious," commented one official.

Nevertheless, there are limitations to the market. The central bank is attempting to limit letters of credit to around $1.2bn a month. However, imports under the new budget are expected to reach $18bn this year. The problems of securing foreign currency allocations for importers coupled with three months' waiting for vessels at Bandar Abbas, means that orders placed today can take a year to arrive.

What is clear is that the Iranians are not excited any more about barter. New Zealand, which is presently negotiating a 80,000 tonnes meat contract, was told this year the deal was going to be for straight cash, instead of the usual crude-oil payment. Oil still figures prominently in many deals, however, particularly with the development nations, but contracts with Western suppliers are always for cash.

The Japanese are still suffering from the link with oil purchases. Under a policy initiated last year, Japanese exports to Iran are limited to half their oil imports. In 1982, totalling some 330,000 barrels a day. This year, because of low oil demand, the Japanese are trying to reduce oil imports from Iran, but trading officials fear repercussions on their exports to this highly promising market.

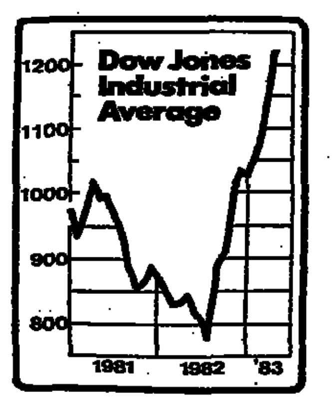
The Iranians, in turn, are said to be hinting that if a satisfactory deal on volume and price is worked out for oil purchases, then the Japanese may be given the free access they seek to the Iran market. Nothing has been said officially, but Japanese trading companies have their eye on some $2bn worth of trade which they feel is the potential of the Iran market today.

Implications of the Gulf oil spill, Page 3

THE LEX COLUMN

Equities shoot the magnificent seven

Dawn had scarcely broken over Throgmorton Street yesterday when the jobbers arrived to protect their books from an epidemic of good news. With Wall Street slicing through 1,200, the CBI in jubilant mood and Cowley back in the washroom, the jobbers immediately marked their stock up through the long-awaited 700 figure. Under the circumstances, the market follow-through was indecisive and the FT Industrial Ordinary Index closed tantalisingly short at 699.0.



In a market as nervous as the present one, institutional investors are understandably anxious to see hard data which validates the CBI's optimism before committing new funds to their equity portfolios. Today will provide just such an opportunity. Not only is half the construction industry due to report figures, but ICI will unveil its results for the first quarter, the high hopes of which have helped to feed optimism in the market all this week.

Exco/Telerate

When Exco launched into the marathon recapitalisation of Telerate in October 1981, the U.S. company had just completed its latest financial year with pre-tax profits of $13.1m. The prospectus for yesterday's floation of 4m Telerate shares on the New York Stock Exchange shows pre-tax profits of $12.4m for just the five months to the end of February and Exco, emerging with its long-planned 49 per cent stake, still looks to have made a shrewd investment.

Excitement over Telerate's undoubted growth potential, though, has pushed Exco's share price to levels which will brook little disappointment. The New York flotation price of $20 last night valued Exco's stake at £275m, worth 555p per share. Nevertheless, the fledgling stock's failure in very heavy initial trading to sustain as much as a 10 per cent gain clearly fell short of expectations in the City of London, and Exco's own shares dropped 21p to 682p.

Any business setback for Telerate itself could make this look like a minor correction. The Exco balance sheet is left carrying gross debt of about £30m on an equity base of £49.4m which incorporates £33.7m of goodwill, and Telerate shareholders have little prospect of any dividend in the near-term. But Telerate appears set to justify its dizzy multiple and a pre-tax contribution to Exco's earnings approaching £10m in 1983 would be a flying start.

Carpets International

Carpets International's performance during 1982 was nothing less than appalling. The group recorded a pre-tax loss for the third successive year, with last year's deficit ballooning from £2.39m to £5.5m. Yet that news was of almost academic interest to a stock market which has pushed up the CI share price from a low of 11p in January to 62p last night.

Trading considerations have certainly contributed to the change in market sentiment. The emergence from recession of the UK carpet industry, which began with the lifting of hire purchase restrictions last August and has been helped along by the fall in sterling, has been one factor.

The main source of optimism has been the new U.S. management from CI's Interface Flooring Systems associate, tempted to cross the Atlantic in December by the prospect of gaining ultimate control. With CI's short-term bank borrowings at the year-end amounting to 83 per cent of shareholders' funds, Interface's £2.5m cash injection was also essential in allowing CI to carry out long-postponed surgery on its overheads.

Apart from its continuing struggles with new machinery, brand marketing remains CI's primary weakness. A cloud on the horizon is the expected rise in the price of raw materials, particularly wool and nylon, later this year. But by then the gearing ration should be sliding down to close to 50 per cent.

CRA

CRA's intention to have a rights issue was well signalled earlier this month in the recherché operation of raising the par value of its shares. Yesterday the company duly emerged with what at first sight looked a lightish one for eight to raise A$206.5m. However, since RTZ in effect is to take up only a third of its entitlement, the issue is actually more of a test of the market's appetite. Heavy spending on the Argyle diamond development and coal mining at Blair Athol, together with the increased stake in Comalco, has pushed up CRA's net debt from 29 to about 47 per cent of shareholders' funds in 1982. The rights issue will bring gearing back to a more manageable 36 per cent.

RTZ's declared motive for diluting its CRA stake – from 57.2 per cent to 52.9 per cent – is the agreement with the Australian Government to increase public ownership in the subsidiary. But there seems little reluctance to reduce exposure to this part of the world, where returns over the last decade or so have been disappointing. In recent years, culminating with the takeover of the UK cement interests last year, RTZ has successfully broadened its portfolio into the building products area, whose contribution now looks set to remain significant even in periods when mining profits are peaking. The switch of emphasis has been a partial cause of the sharp increase in gearing from below 25 per cent two years ago to near 60 per cent. So it is hardly surprising that RTZ has kept its net response to the CRA issue to £14m.

Spaghetti adds new twist to trade war

By Christian Tyler and Anthony McDermott in Geneva

SPAGHETTI is a sensitive subject in Geneva at the moment. Just a mention of the word in diplomatic circles makes people gulp.

For, unlikely as it may seem, spaghetti has become the latest weapon in the "cold war" over trade between the U.S. and the EEC. Difficult to handle at the best of times, it is now, apparently, developing explosive political properties.

What has happended is that a group of pasta-makers in the U.S., not a million miles from New York, has persuaded the U.S. Government to lodge a formal complaint with the General Agreement on Tariffs and Trade (Gatt) about Italian-style imports.

The theory of comparative advantage and the international division of labour suggests that if there is one thing that Italy should be allowed to do without interference, it is to export pasta. Not so.

The Americans, apparently, spotting an opportunity to replenish their armoury of complaints about EEC agricultural export subsidies, have taken the issue to a Gatt panel hearing.

The panel has just delivered its judgment – and it looks as if the U.S. has won at least the main part of the argument, which turns on the philosophical point of whether pasta is a primary commodity or a manufactured product. If it is a primary product, as the EEC maintains, the Gatt code appears to allow subsidies. But if it is manufactured, then subsidies are definitely out.

The EEC seems to be saying that it is subsidising not spaghetti but durum wheat, of which it is composed. But if that is so, what other subsidies might not escape Gatt censure?

The U.S. must still show – according to the Community – that the subsidy has given the Italians what is called, in Gatt language, "a more than equitable share of the market," and that "displacement" has taken place.

Whether it is mounds or mouthfuls of the stuff, no one is saying. Statistics on EEC exports of pasta products to America are suddenly very hard to come by.

The Gatt panel on export subsidies delivered its secret verdict to the warring parties a week ago.

Neither will disclose the result. The last panel report, on the wheat-flour-to-Egypt row, was leaked, and Gatt chief Mr Arthur Dunkel last Friday chastised the parties most severely for prejudicing Gatt's disputes procedure.

The spaghetti verdict is said to have deep implications. As one – almost neutral – noodle-watcher explained: A verdict in favour of the U.S. might widen the argument to all sorts of other comestibles. Is a tin of peaches a product or a manufacture?

UK to seek urgent talks with Bonn on satellite broadcasting

BY RAYMOND SNODDY IN LONDON

THE UK will seek urgent discussions at ambassadorial level with West Germany to try to persuade the Federal Republic to adopt the British rather than the French system for direct satellite broadcasting (DBS).

The decision was taken yesterday at a high-level meeting at the Department of Industry which brought together representatives of government departments involved, including the Foreign Office, broadcasters, and representatives of the consumer electronics industry.

The stakes for British manufacturers are potentially high. West Germany is believed to be pivotal in getting the British system – C-Mac – accepted as a de facto European standard.

If West Germany decides to opt for the British system, it is believed that Austria, Switzerland and Italy would be likely to follow.

If Germany decides to join France – which is now certain to go ahead with its own Secam/Pal system – the only nations certain to join Britain would be the Scandinavian countries.

A delegation headed by Sir Anthony Part, who was chairman of the committee which recommended that the UK adopt the C-Mac system of sound and pictures developed by the Independent Broadcasting Authority, found German officials "receptive" on a recent lobbying visit.

But Germany is engaged in a joint satellite development programme with France and is also involved in technical co-operation agreements with the French.

A major argument of the Part committee in favour of C-Mac was that it was the only system which could unite Europe behind a continent-wide standard.

To some extent, that was reflected at the meeting of the technical committee of the European Broadcasting Union in Copenhagen last week, which spoke of the "paramount importance" of achieving a European standard on DBS.

Yesterday the UK Industry Department decided that the process of drawing up detailed specifications for the British C-Mac system should continue.

British Government to license pilot cable television systems

BY GUY DE JONQUIERES AND JASON CRISP IN LONDON

THE GOVERNMENT'S outline policy for the development of cable television, published yesterday, made some important concessions to prospective investors but left many points of detail undecided.

Legislation to establish a framework for the industry and to create a Cable Authority would not be ready until the summer of next year – beyond the latest date for an election.

The Government, however, said in a White Paper (policy document) that it would grant interim licences before then for up to 12 new pilot cable systems. It will also allow existing systems, serving about 2.5m people, to offer a wider choice of programmes.

The proposals were generally welcomed by existing cable system operators and prospective entrants, including British Telecom and Mercury, the private consortium which plans to build an independent communications network.

Independent television companies also responded positively, though the BBC declined immediate comment.

The policy proposals were strongly criticised by the Post Office Engineering Union. The union said denying British Telecom the exclusive right to provide cable systems was "an astonishing act of foolishness."

None the less, the proposals open the way for British Telecom to play a major role in building and operating cable systems. They could also give a boost to Mercury, which has been struggling to get off the ground against union opposition.

The White Paper says franchise consortia, including British Telecom or Mercury, will be entitled to offer a full range of communications services, including voice, as well as entertainment channels. The two organisations will have exclusive rights to connect different cable systems.

The proposals are a compromise between several – and sometimes conflicting – objectives. One of these is to stimulate technological innovation, to broaden programme choice without damaging public broadcasting and to create conditions likely to appeal to private investors.

The last of these factors appears to have weighed most heavily. Concessions to operators include the right to charge for programmes on a pay-per-view basis, to carry advertising, to influence the shape of the franchise areas they wish to serve, and freedom from any rigid requirement to install the most advanced and costly technology.

The White Paper proposes broad limitations on the proportion of programme material originating from outside Britain and the EEC.

It leaves open the precise mechanisms to be used for granting licences to build and franchises to operate cable systems, the exact proportion of allowable foreign programming and the methods of supervising the industry.

These will be decided by the Cable Authority, which will be empowered to exercise both prior and retroactive supervision, to prevent certain programmes being shown, to impose a special regime on offending operators and, ultimately, to revoke franchises.

Editorial comment, Page 18; details Page 8

Exxon, Ford earnings rise sharply

Continued from Page 1

This side of the business has been depressed by low margins and fierce competition, and several companies have been reporting heavy losses in these areas. Exxon's U.S. refining and marketing operations broke even only in the latest quarter compared with a $35m profit last year. Overseas refining and marketing earnings were more than doubled at $92m in the first quarter compared with a year ago.

Like General Motors and Chrysler, which have also reported steep gains in first quarter profitability, Ford's improved results are based on a sharp increase in factory sales of its passenger cars in the U.S. its worldwide sales rose 15 per cent to 1.1m vehicles in the quarter, while sales of cars in the U.S. jumped 48 per cent to 350,000.

As a result of these volume gains, further cost reductions and a move towards bigger, more profitable cars in the U.S. market, the group has swung from an after tax loss of $506m on its U.S. operations to a profit of $111m.

Outside the U.S. Ford earned $100m in the quarter, down from a profit of $204m a year earlier. This setback was mainly due to the adverse impact of currency swings. The figures were also hit by the four-week strike at Ford's Halewood plant in Britain.

The group claimed, however, that it had taken a record 13.8 per cent share of the European car market, and achieved improved cost performance in most areas of the world. Overall sales have risen from $8.9bn to $10bn, and fully diluted earnings per share total $1.64.

Despite the improvement in profits, Ford said its first quarter earnings, which represented 2.1 per cent of sales, were "well below the level required to maintain the business and meet future investment needs."

Telerate debut creates a rush

By William Hall in New York

TELERATE, the fast-growing U.S. computerised financial information service in which Britain's Exco money broking group has a 49 per cent stake, was valued at over $900m when its shares were traded on the New York Stock Exchange for the first time yesterday.

The share quote follows a 4.4m common stock offering by Telerate which was completed yesterday, raising $88m. The issue was heavily oversubscribed, according to Goldman Sachs, which along with Rothschild managed the underwriting group.

The shares were issued at $20 and quickly went to $21¼. One Million shares changed hands in the first two hours of trading, making Telerate the second most active stock on the New York Stock Market yesterday morning.

The company, which is paying no dividend, was selling on an historic multiple of 54 times earnings at the issue price. At a market price of $21¼, the multiple is 58 times historic earnings. Telerate has made no earnings forecast, but in the first five months of its financial year its net income rose from $3.98m to $6.69m.

Telerate, which provides financial information on screens to the world's leading financial institutions, has been a big success story since it was founded in 1969 by Mr Neil Hirsch, its 35-year-old chief executive.

It is currently installing new terminals in customers' offices in the U.S. at a rate of nearly 200 a month. It is installing another 76 a month overseas. At the end of February, it had 8,865 terminals installed round the world, of which 6,838 were in the U.S.

The company's success stems from the desire of banks to have up-to-date financial information as soon as possible when markets are volatile. The company's main competition is Reuters.

The success of the Telerate offer is good news for two UK companies which have backed Telerate over the years. Apart from Exco, the British and Commonwealth Shipping Company has a 13.33 per cent stake. Telerate's directors own 15.63 per cent, including Mr Hirsch's 7.67 per cent holding. The share offering of 4.4m shares equals around 10 per cent of the company's 44.4m share capital.

Reagan urged to impose new steel quotas

Continued from Page 1

agreement being broadened to cover stainless and tool steel products.

U.S. officials may also try to negotiate a speciality-steel agreement with the Japanese government as an alternative to unilateral import-quota restrictions.

The three ITC members were unable to agree on their recommendations. Two commissioners recommended that imports of tool steel should be restricted to 20 per cent of the total U.S. market, rather than a 16.7 per cent share proposed by U.S. steelmakers.

The majority also recommended that imports of stainless steel and strip should be held to 8 per cent of the U.S. market, rather than the 5.9 per cent proposed by producers.

The panel agreed that certain speciality-steel products, such as stainless steel used to make razor blades, should be exempt from the proposed restrictions. It also recommended that quotas be retroactive to January 1.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	S	18	64	Dubrovnik	S	22	72	Malaga	F	19	66	Salzburg	F	16	61
Akrotiri	S	21	70	Faro	F	16	61	Malta	S	21	70	Seoul	C	22	72
Algiers	S	22	72	Florence	F	22	72	Manila	S	34	93	Singapore	R	30	86
Amsterdam	R	7	45	Frankfurt	F	14	57	Miami	S	24	75	Stockholm	S	13	55
Athens	S	23	73	Funchal	C	17	63	Milan	F	16	61	Strasbourg	F	18	64
Bahrain	S	29	84	Geneva	R	15	59	Moscow	C	19	66	Sydney	R	20	68
Bangkok	S	35	95	Gibraltar	C	18	64	Munich	S	16	61	Taipei	S	23	73
Barcelona	S	18	64	Guernsey	C	11	52	Nairobi	-	—	—	Tangier	F	17	63
Beirut	S	20	68	Helsinki	F	16	61	Naples	S	23	73	Tehran	-	—	—
Belgrade	S	26	79	H. Kong	S	28	82	New Delhi	S	38	100	Tel Aviv	S	23	73
Berlin	C	17	63	Innsbruck	S	18	64	New York	F	19	66	Tenerife	C	19	66
Biarritz	F	15	59	Inverness	C	8	46	Nice	S	17	63	Tokyo	S	25	77
Blackpool	F	12	54	Istanbul	S	14	57	Oporto	F	13	55	Toronto	C	18	64
Bordeaux	F	14	57	Jersey	C	11	52	Oslo	S	15	59	Tunis	F	20	68
Brussels	F	15	59	Jo'burg	S	20	68	Paris	C	15	59	Valencia	S	21	70
Budapest	F	24	75	Las Palmas	C	18	64	Prague	S	20	68	Venice	F	19	66
B. Aires	S	24	75	Lima	S	29	84	Reykjavik	C	6	43	Vienna	S	22	72
Cairo	C	31	88	Lisbon	F	15	59	Rio de J'o	C	30	86	Warsaw	S	22	72
Cape Town	-	—	—	Locarno	R	11	52	Rome	S	21	70	Zurich	S	15	59
Caracas	S	30	86	London	F	14	57								
Casablanca	C	18	64	Los Angeles	C	20	68								
Copenhagen	C	10	50	Luxembourg	F	13	55								
Corfu	S	25	77	Madrid	F	13	55								
Dublin	F	11	52	Majorca	F	20	68								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

World Bank success

BY NICHOLAS COLCHESTER IN LONDON

THE WORLD BANK is having a particularly successful year in raising funds from the international capital markets, Mr Moen Qureshi, the senior vice-president for finance, claimed in London yesterday.

With a borrowing target of around $11bn for the year to June 30 1983, the bank has raised $9.2bn in the first nine months, of which some $1.5bn has been short-term finance. The average maturity of the medium and longer-term portion is about seven years and its average interest cost 8.95 per cent, Mr Qureshi said. Some $2.5bn of the borrowing has been in Swiss francs.

The bank envisages raising another $11bn in 1983-84. Its total borrowing stands at the moment at $38bn, which compares with the committed capital of $85bn and subscribed capital of $52bn.

The bank currently has $12bn of liquid funds at its disposal, and active management of this float is proving very profitable. Mr Qureshi claimed that the bank had suffered no loan losses during the recent period of severe strain in the international loan market.

Bankers welcome Mexican plan, Page 4; International capital markets, Page 32

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by G.T.S. Damer, Frankfurt/Main, A.V. Hare, R.A.F. McClean, M.C. Gorman, B.A. Lawrence, D.E.P. Palmer, London, as members of the Board of Directors. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C. E. P. Smith, Frankfurt/Main.

FINANCIAL TIMES

Thursday April 28 1983

Pan Am deficit reduced in quarter

By Paul Taylor in New York

PAN AMERICAN World Airways, the troubled U.S. airline, yesterday reported a sharply lower first-quarter net loss despite a continuing decline in operating revenues.

The airline, which is in the midst of a package of actions designed to ease its cash problems, reported a first-quarter net loss of $79.8m compared with a net loss of $127.3m in the first quarter last year.

The loss was broadly as expected, but still leaves the airline with a substantial task if it is to return to overall profitability this year.

The airline's operating loss for the first quarter was $34.5m compared with $100.1m in the corresponding period last year. Consolidated operating revenues fell by 1.8 per cent to $838.2m from $853.9m.

Pan Am said the decline in operating revenues largely reflected a 40.3 per cent drop ($45.5m), in freight and mail revenues due to the company's reduction in its Boeing 747 freighter fleet from six aircraft to one.

Revenues from scheduled passenger services increased by 2 per cent to $643.3m from $630.6m, while the amount of revenue received for each passenger mile flown increased from 10.11 cents to 10.32 cents on scheduled passenger miles, which remained flat. Operating expenses declined by 8.5 per cent from $954.0m to $872.7m.

Mr Gerald Gitner, executive vice-president and chief financial officer, said: "We are gratified that during the first quarter we were able not only to reduce our cost per available seat mile from 7.97 cents to 7.27 cents – an 8.8 per cent reduction – but also to show improvement in our yield.

"As we move into the peak summer months, we see evidence that our fare and route strategies are showing positive results."

The reduction in operating expenses largely reflected a 16 per cent decline in fuel and oil costs to $234.8m because of a 9.6 per cent decline in fuel consumed and a 7.1 per cent drop in the average price of fuel oil from $1.12 a gallon last year to $1.04 a gallon, coupled with an 8.7 per cent decline in airline salaries and benefits to $286.9m.

The decline in staff costs reflects the impact of a reduction in the workforce from 30,071 to 27,670.

● Ashland Oil, the largest independent petroleum refiner in the U.S., reported second-quarter losses up from $11.6m or 79 cents a share to $14.5m or 89 cents.

However, the company managed to stay in the black for the first half.

Xerox up 25.8 % after insurance unit advance

BY PAUL TAYLOR IN NEW YORK

XEROX, the U.S. office equipment manufacturer, yesterday reported a 25.8 per cent increase in income from continuing operations in the first quarter, but the improvement was entirely attributable to the acquisition in January this year of Crum and Forster, its insurance subsidiary.

Excluding the impact of the insurance subsidiary, income from continuing operations fell by 3.5 per cent to $98.7m or $1.17 a share compared to $102.3m or $1.21 a share in the 1982 quarter.

Crum and Forster, which had net income of $37m in the latest quarter compared to $24.5m in the same period last year on a pro-forma basis, produced an incremental net income after interest and all other related costs of the acquisition of $30m or 8 cents a share.

As a result, total Xerox net income from continuing operations increased to $128.7m or $1.25 a share from $102.3m or $1.21 a share in the first quarter last year.

Including the impact of the sale of WUI Inc, which was sold on June 1 last year, earnings per share fell by 3.7 per cent to $1.25 from $1.29. The 1982 first quarter included earnings of $7.2m from WUI, making a final net of $109.5m.

Xerox revenues in the latest quarter increased marginally from $2.009bn to $2.010bn.

Mr David Kearns, president and chief executive, and Mr Peter McColough, chairman, commenting on the results, said revenues would have increased by 7 per cent had it not been for the strength of the U.S. dollar.

They noted that, although demand for the company's copiers and duplicators was strong in the latest quarter, income from continuing operations continued to decline mainly because of lower price levels; the impact of last year's inflationary cost increases, which were not fully offset by productivity gains, and a generally weak economy.

Xerox has sold the defence and aerospace operations of its electro-optical systems unit to Loral, the U.S. military equipment company, for about $40m.

Exchange rate could prevent Renault acquisition of Mack

BY PAUL BETTS IN PARIS

THE SHARP decline in the value of the French franc against the dollar is likely to weigh heavily on Renault's decision on whether to buy control of Mack, the leading American heavy duty truck maker.

The French car group confirmed yesterday that it had already discussed last year with Signal, the Californian industrial group which owns 80 per cent of Mack, the possibility of the French group increasing its stake in the U.S. truck maker to 51 per cent. But a Renault official said these talks had led to no agreement largely because of financial considerations.

Renault acquired a 10 per cent stake in Mack in 1979 for $50m and bought $65m in convertible bonds for a total investment of $115m. Renault converted these bonds last June, increasing the French company's overall stake in Mack to 20 per cent.

The French company said yesterday that it will again analyse the financial and strategic implications of acquiring control of Mack following Signal's decision on Tuesday to shed itself completely of the truck maker.

But the Renault official said it was premature at this stage for Renault to start discussions with Signal. Under its original agreement with the U.S. group, Renault has the right of first refusal in any sale of Mack stock by Signal.

But the French company pointed out that one of the key elements it will be considering in any deal is the value of the dollar against the franc. With the French franc now at a record low against the dollar, trading at FFr 7.3, any new investment would be far more costly than Renault's original investment in 1979 when the franc was trading at a round FFr 4.3 against the dollar.

Renault will also be considering whether it wants to hold a large investment in heavy duty trucks in the U.S. market at a time when this sector is still in dire straits.

Renault has been supplying Mack with 9–15 tonne diesel trucks to extend the U.S. company's model range. The U.S. market share of these trucks has risen

Opel to maintain investment

BY KENNETH GOODING IN RÜSSELSHEIM

CAPITAL EXPENDITURE by Opel, the West German subsidiary of General Motors (GM) will continue at DM 1bn ($408m) a year at least until 1986. This follows the DM 6bn spent between 1977 and 1982.

To help finance the investment programmes, GM made another "substantial medium-term loan on attractive terms" to Opel last year and pumped in more cash by way of a sale and leaseback arrangement involving the German company's paint plant at its factory near Frankfurt.

Mr John Rhame, director of administration and finance, said this was a "more earnings-effective" way for GM to refinance Opel, than taking up more equity.

Details of the loan and the leaseback deal will be given in the annual report to be published in June. It has been suggested that the sale of the paint plant played a major part in Opel's return to profitability in 1982 after two years of losses. The plant cost more than DM 500m, but as the sale and leaseback covered only "moveable assets," the cash raised was probably less than a quarter of that figure.

Mr Rhame said Opel will certainly arrange further sale and leaseback deals with its parent this year.

In 1980 Opel incurred its first net loss (DM 410m) since 1948, and this was followed by a DM 592.8m loss in 1981. Last year there was a DM 90m net profit.

The key element in Opel's growth will be the "S" car, built at GM's new facility at Saragoza in Spain. This is sold in continental Europe as the Opel Corsa and in the UK as the Vauxhall Nova. It was launched last autumn.

Paribas doubles lending provisions

By David Marsh in Paris

PARIBAS, the nationalised French investment bank, registered a 26.2 per cent fall in net profits last year to FFr 125.7m ($17.13m) from FFr 170.4m in 1981 as a result of a doubling of foreign and domestic lending provisions.

The fall in net profits – in line with the trend of most of the big French banks to have reported results for 1982 – came despite a 48 per cent increase in operating profits before tax, depreciation and provisions, which amounted to FFr 1.67bn, against FFr 1.13bn in 1981. Paribas said this was the biggest increase in operating profits in its history.

Provisions increased sharply to FFr 1.2bn from FFr 607m in 1981. The bank pointed to "the deterioration of the world economic situation (which) clearly increased the risks of failure by companies and the financial difficulties of heavily indebted countries."

The provisions total was split almost equally between foreign and domestic risks.

At the net profit level a loss of FFr 117m on operations in France, which also include some of the bank's general charges, was offset by a FFr 243m profit made by branches abroad. Paribas stressed that each one of its foreign operations made profits last year.

Credits granted to clients in France rose 34.6 per cent to FFr 46bn at the end of 1982.

The increase – well in advance of the basic growth rate laid down under the system of credit ceilings – was made possible by a rise in the bank's capital funds and by a strong increase in foreign currency credits.

Commodore up

By Our New York Staff

COMMODORE International, the fast growing U.S. home computer manufacturer, increased its third-quarter net income by 128 per cent to $25m.

Earnings per share in the latest quarter were $1.62 compared with 71 cents a year ago.

Italian insurance group announces share split

BY RUPERT CORNWELL IN ROME

ASSICURAZIONI Generali, the leading blue chip share on the Milan bourse, is to reorganise its capital to make its highly-expensive individual shares more accessible to the small saver.

The news was well received on the Milan market yesterday, where shares in Italy's largest insurance group jumped by 5 per cent to close at L134,700 ($92.40).

Other quoted stocks climbed in their wake to leave the overall market index 2 per cent higher on the day.

The operation involves no raising of new funds. Instead, capital will be increased to L250bn from L125bn, doubling the nominal value of the shares to L8,000 each. Shareholders will then be able to exchange one L8,000 share for four new shares, each with a nominal value of L2,000, thus reducing the traded price on the Milan bourse to a more manageable L34,000 ($24) or so.

The company also announced that, despite a poor showing on the industrial side, where its car insurance business suffered as a result of official limits on premium increase last year's net profit would exceed the L47bn reported in 1981.

The law on inflation accounting, passed by parliament last month, will allow the company to write up the value of its reserves by an extra L400bn from L157bn.

Assicurazioni Generali said that premiums income in 1982 rose 21 per cent to L1,930 bn, while income from its investments advanced 31 per cent to L326bn. A similar increase is expected for premium income at group level, which reached L3,972bn in 1981.

● Rinascente, the Italian store group in which the Milan industrialist Sig Giuseppe Cabassi is the largest single shareholder, yesterday announced a 24 per cent profits increase for 1982. The dividend is being lifted to L16 per share

Gist-Brocades forecasts rise

BY OUR FINANCIAL STAFF

GIST-BROCADES, the Dutch biotechnology group, expects higher earnings for 1983. Sales and earnings rose in the first quarter and this trend has continued through the year, the group said.

Earlier this year, Gist-Brocades reported net earnings for 1982 of Fl 31.3m ($11.3m), up 30 per cent on the previous year. It plans a dividend of Fl 3.20 per share.

From January, the company's industrial products division has been split into two new divisions, industrial enzymes and industrial pharmaceuticals, reflecting strong growth, especially in enzymes.

● Rorento the fixed interest securities division of Robeco, the Dutch investment group, reports that the value of its net assets in the year to February 28 rose by 75 per cent to Fl 4.28bn ($1.55bn).

The number of outstanding shares went up from 17m to 23.5m, and share value increased nearly 30 per cent, the sharpest improvement in the company's history.

Rorento says that the results were "exceptionally favourable," leading to a record new profit of Fl 373m – 44 per cent up on the previous 12 months.

Rorento considers that existing capital markets this year will offer investors in bonds "adequate" returns, although it will be difficult to repeat last year's performance.

The 1982-83 result was largely attributable to the decline in world interest rates, which led to a rise in bond quotations, particularly in the U.S. and the Netherlands, Rorento's key markets.

Rolinco, Robeco's equity growth trust, has also been doing well. In the first six months of the year to February 28, the share value rose by 38 per cent, to £60.75. A further 6 per cent rise was recorded in March.

Much of the improvement was the result of the favourable stock climate in the U.S., Japan and the Netherlands.

Robeco itself announced last month that its total net assets had passed the Fl 58bn mark at the end of 1982. Net profit rose during the year by just under 5 per cent, to Fl 264m.

New owners unable to lift Jari

BY ANDREW WHITLEY IN RIO DE JANEIRO

JARI, the former Amazon "kingdom" of Mr Daniel Ludwig, the U.S. shipping magnate, made a substantial loss in its first year under Brazilian ownership.

Companhia do Jari, which was taken over last January by a consortium of 23 leading private companies and banks, will today declare an operating loss in 1982 of Cr 52.3bn ($207m at the year-end exchange rate).

After adjustment for inflation, the net loss will be nearly $36m, higher than anticipated.

During his 15 years of ownership of the Jari project – embracing pulp and paper, kaolin, rice and bauxite – Mr Ludwig invested an estimated $560m of his own money in an unsuccessful battle against the jungle and government obstructions.

The losses continued, and in late 1981 the American billionaire decided to get out. He received $40m from the transaction, but was able to transfer responsibility for Jari's $360m domestic and foreign debt to the new owners.

'Big Mac' set for an invasion of Belgrade

BY DAVID BUCHAN IN LONDON

THE golden arches will adorn the streets of Belgrad soon, if a joint-venture agreement betweeen McDonald's of the U.S. and R.O Prokupac, a big Serbian food-processing company, to sell "Big Mac" hamburgers in Yugoslavia wins Yugoslav Goverament approval.

If approved, the agreement would create the first McDonald's outlet in Eastern Europe.

The government review, mandatory for all joint ventures in Yugoslavia, is not expected for several weeks, and until then, neither McDonald's nor Prokupac is saying much about their agreement. But Prokupac executives in Belgrade said yesterday that a key factor would be whether the Government is satisfied that the Yugoslav company can earn enough hard currency to pay McDonald's for the franchise.

Yugoslavia has been promised a big international financial aid package to help it service its large foreign debts. But it remains chronically strapped for hard currency, and only companies exporting to the West have the means to import from the West. Obviously, "Big Macs" do not, or are not supposed to "travel well" and would be an inappropriate export. But Prokupac, which already grows and cans tomatoes, says its new agreement should allow it to earn the requisite hard currency by exporting tomato ketchup to McDonald's.

Daisy Systems files for public share offering

By Louise Kehoe in San Francisco

DAISY SYSTEMS of Sunnyvale, California, the leading U.S. manufacturer of computer aided engineering workstations – computers used to automate the design and development of integrated circuit chips – has filed with the Securities and Exchange Commission for an offering of 1.41m shares. The suggested offering price is $11 to $14 per share.

Daisy, a product of Silicon Valley's company start-up boom, was formed in August 1980 by former Intel engineers. The company has become the personification of the Silicon Valley success story.

Daisy became profitable in the first quarter of 1982. The company recorded revenues of $4.56m in the year to October 1, 1982 and net income of $228,000. In the first half of fiscal 1983, net income was $210,000 on revenues of $5.03m.

Elders IXL Limited

(Incorporated in South Australia)

Elders IXL

U.S. $100,000,000
Revolving Credit Facility

Swiss Bank Corporation International Limited

Algemene Bank Nederland N.V.

Banque Bruxelles Lambert S.A.

The Chase Manhattan Bank, N.A.

Crédit Agricole

Deutsche Bank (Asia Credit) Limited

Dresdner (South East Asia) Limited

Manufacturers Hanover Trust Company

National Westminster Bank Group

Paribas Asia Limited

SFE Banking Corporation Limited
SFE Group

Standard Chartered Bank PLC

Agent Bank

Swiss Bank Corporation

This announcement appears as a matter of record only

April, 1983

An easy rise under Labor rule in a wary Australian stock market

BY MICHAEL THOMPSON-NOEL IN SYDNEY

WITH AN EASE that has surprised some observers, Australian stock markets have risen fast in recent weeks, bringing a gleam to brokers' eyes and confirming that for now, at any rate, the markets Down Under have acclimatised to life under Labor.

It is almost two months since the Australian Labor Party and its charismatic new leader, Mr Bob Hawke, swept to power in the General Election—a period that the new Government has used astutely to bring home to Australians the realities of the country's economic plight.

Yet the markets are ebullient. Buoyed by Wall Street, to which its star is hitched, the Australian All-Ordinaries Index this week, passed 600, to cement an across-the-board rally that has jolted the index to its highest level since December 1981.

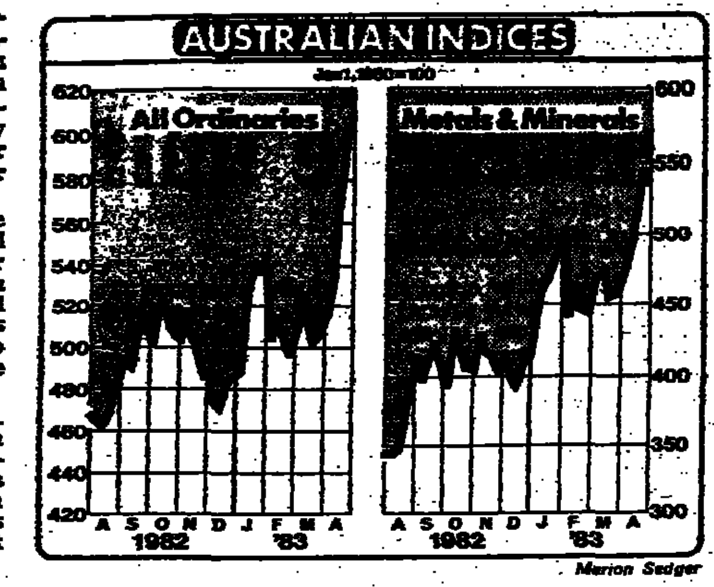
This is in stark contrast with events in February, when the election was called. Within three trading days of the February 3 announcement, the All-Ordinaries Index had fallen by 7.7 per cent to 503.2, while the Metals and Minerals Index had plunged by 12.2 per cent to 440.9.

These falls obliterated the strong initial surge on Australian share markets seen in January, and were caused by investors' initial fears—after seven years' conservative government—at the prospect of Labor gaining office.

Yet most of that is history—for after nervously marking time in the first weeks of March, the markets suddenly spurted. Yesterday's dips in the indices, taking the All-Ordinaries to 599.0, from 603.0 is to be seen partly as a reaction to the earlier gains, and partly as a reaction to the news of the CRA A$206.5m rights issue.

At last night's close, the All-Ordinaries was 19 per cent above its February 7 level, while the All Metals and Minerals Index was 21 per cent higher, with many leading mining stocks having reached their highest levels in 22 months.

Indeed, since the bull phase began in earnest at the end of last month, Australian oil and gas stocks have improved by almost 40 per cent, metal stocks by nearly 20 per cent and industrials by 15 per cent—all this despite a total lack of evidence from Canberra that the domestic economy is perking up.



Marion Sedger

One of those to do best has been Broken Hill Proprietary (BHP), Australia's largest company, the price of shares in which is now nudging A$9, against a low this year of A$6.10.

BHP announced only this month that net earnings for its third quarter to February 28, under orthodox accounting methods, had been as little as A$29.2m (US$25.4m), for a nine-months' total of A$164.7m, no more than A$5m up on the depressed total for the final six months of 1981-82.

The company's stricken steel division is the biggest worry, with losses in the past nine months totalling A$117.4m, dulling the performance of its oil and gas division, which showed a nine months' profit of A$216.1m.

Nevertheless, the market's belief in BHP has been strengthened by continuing signs of prosperity in oil and gas, capped by the news last week of a strong initial flow of 3,500 barrels per day from the Esso-BHP Whiting No 1 well in the Gippsland Basin.

Support for BHP, which is in the process of buying the Utah International resources group, the main interests of which are coalmining in Queensland, from General Electric of the U.S. for US$2.4bn, has also been helped by the realisation that the new Government is determined to bail out BHP's steel division, which has virtually a monopoly on steel production in Australia.

Other mining and resource leaders to have gained strongly in the past four weeks include CRA, CSR, Western Mining Corporation, MIM Holdings, Bougainville Copper, Central Norseman Gold, EZ Industries, Santos, and Woodside Petroleum.

But a broad range of industrials has benefited, too—partly because of improved sentiment abroad, partly because the Government is still keen to reflate the economy, despite problems with the Federal Budget deficit.

Yet the key factor affecting sentiment in Australia recently has been the performance of Wall Street.

For a commodity supplier like Australia, the attraction of which to foreign investors lies in its energy and resources wealth, Wall Street has shone like a beacon in the dark.

At the same time, the recent firmness in the gold price, together with lower interest rates, has encouraged investors.

Thirdly, there has been applause, to date, for the manner in which the new Labor Government in Canberra has settled to the task of revitalising a slack economy.

It is not so much what it has done, as what it has not done. It has not, for instance, attempted to emulate the blaze of heat and light which marked the opening stages of Australia's last Labor administration, which under Mr Gough Whitlam early came to grief.

On the other hand, Mr Hawke was quick to devalue the Australian dollar within three days of taking office, and he found praise all round for his handling of the recent National Economic Summit meeting in Canberra, at which he won the employers' endorsement for the broad thrust of Labor's economic strategy as outlined in its prices and incomes agreement with the Australian Council of Trade Unions (ACTU).

In Canberra two weeks ago, the unions confirmed their readiness to persevere with wage restraint, while the employers signalled their acceptance of price and dividend restraint.

On Tuesday, Mr Hawke said in Adelaide that he had written to 200 top businessmen urging them to forgo any increases in company dividends, or in non-wages incomes, such as directors' fees, while the current wages pause holds good—which means at least until September.

For the present, investors are taking a benign view of prospects in the Lucky Country, but as local brokers have observed, history indicates that, contrary to the general view, Australian stock markets are capable of bucking international trends if the country's economic fundamentals deteriorate.

Since March 5, Mr Hawke has been all sweet reasonableness, yet Australians dread to think what will happen if the smiles turn to scowls.

First Finance Corporation (UK) Limited

NON AUDITED STATEMENT OF ACCOUNT
MARCH 31, 1983

		£
(1) ASSETS		
I.	Cash and cash items	443,026
	Interest due at call	448,270
	Due from banks interest receivable	2,300,000
	Total cash and due from banks	3,191,296
II.	Securities sold privately	15,000,000
III.	Commercial loans	6,510,000
IV.	Real estate investment (A)	4,800,000
	Real estate investment (B)	613,000
	Real estate investment (C)	17,716,267
	Total real estate investment	23,129,267
V.	Adjustable currency gains and losses	89,911
VI.	Subsidiaries U.S.A. FFC Group of Companies	1,000,000
	Subsidiaries BRAZIL	100,000
	Subsidiaries FRANCE	120,000
	Subsidiaries U.K.	65,000
	Total investment in subsidiaries	1,285,000
VII.	Premises and equipment	302,500
VIII.	Accrued interest	175,500
	Other assets	2,850,000
IX.	Credit instruments uncollected	9,750,000
	TOTAL ASSETS	62,283,474
(2) LIABILITIES		
I.	*Outstanding* securities	15,000,000
	Interest payable December 31, 1983	4,294,060
	Time securities on real estate investments	17,928,565
	Commercial loans	6,510,000
	Other liabilities	120,000
	Credit instruments outstanding	9,500,000
	Total liabilities	53,352,625
II.	Due to banks	89,911
III.	Common issued stock	425,002
IV.	Dividends not yet declared	NONE
V.	Undivided profits	8,415,936
	GRAND TOTAL	62,283,474

New Issue

This announcement appears as a matter of record only.

April 28, 1983

CRÉDIT D'ÉQUIPEMENT

DES PETITES ET MOYENNES ENTREPRISES

Paris, France

DM 100,000,000
8% Deutsche Mark Bearer Bonds of 1983/1991

Issue Price: 100%

Unconditionally guaranteed by

THE FRENCH STATE

COMMERZBANK
AKTIENGESELLSCHAFT

DRESDNER BANK
AKTIENGESELLSCHAFT

BAYERISCHE VEREINSBANK
AKTIENGESELLSCHAFT

BERLINER HANDELS- UND FRANKFURTER BANK

CREDIT LYONNAIS

MERRILL LYNCH INTERNATIONAL & CO.

SOCIETE GENERALE DE BANQUE S.A.

UNION BANK OF SWITZERLAND (SECURITIES) LIMITED

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Abu Dhabi Investment Company
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Al-Mal Group
Amro International Limited
Arab Banking Corporation (ABC)
Julius Baer International Limited
Banca Commerciale Italiana
Banco di Roma
Bank of America International Limited
Bank für Gemeinwirtschaft Aktiengesellschaft
Bank Leu International Ltd.
Bank Mees & Hope NV
Bank of Tokyo International Limited
Banque Bruxelles Lambert S.A.
Banque Française du Commerce Extérieur
Banque Indosuez
Banque Nationale de Paris
Banque de Neuflize, Schlumberger, Mallet
Banque Paribas
Banque de Paris et des Pays-Bas (Suisse) S.A.
Banque Populaire Suisse S.A. Luxembourg
Banque de l'Union Européenne
Banque Worms
Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft
Bayerische Landesbank Girozentrale
Joh. Berenberg, Gossler & Co.
Berliner Bank Aktiengesellschaft
B.S.I. Underwriters Limited
Caisse Centrale des Banques Populaires
Caisse des Dépôts et Consignations
Chase Manhattan Limited
Chemical Bank International Limited
CIBC Limited
Citicorp Capital Markets Group
Commerzbank International S.A.
Commerzbank (South East Asia) Ltd.
Continental Illinois Capital Markets Group
Copenhagen Handelsbank
County Bank Limited
Creditanstalt-Bankverein
Crédit Commercial de France
Credit Suisse First Boston Limited
Credito Italiano
Daiwa Europe Limited
Richard Daus & Co., Bankiers
Delbrück & Co.
Den Danske Bank af 1871 Aktieselskab
Den norske Creditbank
Deutsche Bank Aktiengesellschaft
DG Bank Deutsche Genossenschaftsbank
Deutsche Girozentrale – Deutsche Kommunalbank –
Dominion Securities Ames Limited
DSL Bank Deutsche Siedlungs- und Landesrentenbank
Effectenbank-Warburg Aktiengesellschaft
Enskilda Securities Skandinaviska Enskilda Limited
Euromobiliare S.p.A.
EuroPartners Securities Corporation
European Arab Bank
European Banking Company Limited
First Chicago Limited
Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft
Goldman Sachs International Corp.
Groupement des Banquiers Privés Genevois
Hambros Bank Limited
Hamburgische Landesbank – Girozentrale –
Georg Hauck & Sohn Bankiers Kommanditgesellschaft auf Aktien
Hessische Landesbank – Girozentrale –
Hill Samuel & Co. Limited
The Hongkong Bank Group
Industriebank von Japan (Deutschland) Aktiengesellschaft
Istituto Bancario San Paolo di Torino
Kidder, Peabody International Limited
Kleinwort, Benson Limited
Kredietbank N.V.
Kredietbank S.A. Luxembourgeoise
Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)
Kuwait International Investment Co. s.a.k.
Kuwait Investment Company (S.A.K.)
Landesbank Rheinland-Pfalz – Girozentrale –
Lazard Frères et Cie
Lehman Brothers Kuhn Loeb International, Inc.
Lloyds Bank International Limited
LTCB International Limited
Manufacturers Hanover Limited
Merck, Finck & Co.
B. Metzler seel. Sohn & Co.
Mitsubishi Bank (Europe) S.A.
Samuel Montagu & Co. Limited
Morgan Grenfell & Co. Limited
Morgan Guaranty Ltd
Morgan Stanley International
National Bank of Abu Dhabi
The Nikko Securities Co., (Europe) Ltd.
Nomura International Limited
Norddeutsche Landesbank Girozentrale
Österreichische Länderbank Aktiengesellschaft
Sal. Oppenheim jr. & Cie.
Orion Royal Bank Limited
PK Christiania Bank (UK) Limited
Privatbanken Aktieselskab
N.M. Rothschild & Sons Limited
Salomon Brothers International
J. Henry Schroder Wagg & Co. Limited
Schröder, Münchmeyer, Hengst & Co.
Smith Barney, Harris Upham & Co. Incorporated
Société Générale
Sumitomo Finance International
Svenska Handelsbanken Group
Swiss Bank Corporation International Limited
Trinkaus & Burkhardt
Verband Schweizerischer Kantonalbanken
Vereins- und Westbank Aktiengesellschaft
M.M. Warburg-Brinckmann, Wirtz & Co.
Westdeutsche Landesbank Girozentrale
Westfalenbank Aktiengesellschaft
Wood Gundy Limited
Yamaichi International (Europe) Limited

INTL. COMPANIES and FINANCE

Computer makers in joint venture

BY ROY GARNER IN TOKYO

TWO OF Japan's leading computer makers, Fujitsu and Matsushita Electric Industrial, have announced that they are to set up an equally owned joint venture for the development, production, and marketing of computer-related systems.

The new joint venture company, called MF Information System Company, will begin operations in August, with work centring on computer systems design, software development, and the marketing of circuits for application in the terminals of both large-scale and office or personal computers.

The importance of the new venture lies in the huge research and development costs now incurred in the creation of new and advanced computing systems. Electronics companies worldwide including IBM, the largest, are seeking joint ventures to help defray costs and promote innovation.

The areas Fujitsu and Matsushita have chosen for collaboration are expected to be among the most important in world information technology markets in the next few years.

The new company will be capitalised at Y300m ($1.3m) and will have a staff of 70. It aims for first year sales of some Y700m. Fujitsu president, Taiyu Kobayashi is to be the company chairman and Matsushita president, Toshihiko Yamashita the new company president. Matsushita is expected to benefit from the deal by being able to offer improved software engineering services to customers through co-operation with Fujitsu, which is more advanced in the software field.

Fujitsu is expecting increased orders for its small and medium-sized business computers, sold as components of new jointly-developed computer systems.

The closer ties between the two companies could present a new challenge to the already competitive small computer market in Europe, where Fujitsu now markets computer products through the Panafacom Corporation.

In Japan, the announcement represents a further increase in competitive pressure within the "office-automation" market, which has already been enlivened by the recent arrival of IBM on the scene with its multi-function office computer.

Australian disclosure proposals

By Michael Thompson-Noel in Sydney

WIDE-RANGING powers to investigate nominee shareholdings in Australian companies are likely to be provided under draft amendments to the current Companies and Securities Legislation (Miscellaneous Amendments) Bill circulated yesterday by the Attorney-General, Senator Gareth Evans.

The new proposals contain far tougher provisions for identifying nominee shareholdings than those contained in the original draft, released earlier this year, and would give the National Companies and Securities Commission the right to confiscate shares where beneficial shareholdings were not disclosed.

If the legislation goes ahead, it is thought companies and shareholders will face virtually no obstacle in establishing the identities of all those who control shares in Australian companies.

In addition, shareholders who claim to have been injured by the failure of nominees to declare hidden interests will have the right to seek civil damages in the courts. Government sources say the new legislation could well be enacted before the end of the year.

A tougher approach to nominees has been urged by the NCSC itself, and by the legal and accountancy professions.

Setback for supermarket chains

BY YOKO SHIBATA IN TOKYO

JAPAN'S SIX major supermarket chain operators have reported their worst-ever unconsolidated business results for the year to February 28. Setbacks in operating profits, by the top three operators, Dai'ei, Ito-Yokado and Seiyu Stores, were attributed to a downturn in personal consumption, a cool summer and a warm winter. Sales of clothing and seasonal electrical products such as air-conditioners, refrigerators and heaters fell sharply.

In past years, supermarket operators have achieved higher sales by adding new outlets but this practice has now been curtained by the Large Retail Store Law and instead they have invested heavily in store renewal. This however, has not led to an expansion of sales but it has resulted in heavier interest costs.

Dai'ei, the largest Japanese supermarket operator in terms of turnover suffered a 35.6 per cent fall in operating profits to Y13.54bn ($57m), its first setback since it was listed on the stock exchanges in 1971. Heavy interest payments on borrowings, up by Y100bn from the previous year were chiefly blamed for the downturn.

Ito-Yokado, which has been the largest earner in the industry, saw operating profits fall by 9.3 per cent to Y22.3bn. Again this was the first downturn in its history. However, the company stayed marginally ahead at the net level helped by Y1.2bn of profits on the sale of shares.

Seiyu Store achieved the highest sales growth among the six companies (up 7.4 per cent to Y652bn) by resorting to bargain sales, but the company's profit margins deteriorated and operating profits fell by 7.8 per cent to Y7.36bn.

JUSCO lifted sales by 6.9 per cent to Y651.8bn but operating profits were only 0.3 per cent higher at Y16.3bn while at Nichii operating profits fell by 19.8 per cent to Y11.77bn on sales just 2.8 per cent higher at Y504.6bn.

Uny managed a 3.9 per cent advance in sales to Y371bn and a 4.4 per cent rise in operating profits to Y13.7bn.

The outlook for personal consumption in Japan for the current year is dismal and a recovery is not expected until after the autumn. Chain store sales in March rose only by 1.4 per cent over the previous year. The six operators are strengthening their management but earnings are expected to continue to suffer from high interest costs.

Mitsukoshi falls into the red

BY OUR TOKYO STAFF

MITSUKOSHI, Japan's oldest and largest department store, suffered an operating loss of Y4.87bn ($20.5m) in the year to February compared with profits of Y1.56bn in 1981-82. The largest earnings fall since the company's foundation in 1673 apparently reflected a series of scandals involving the ousted president, Shigeru Okada and Miss Michi Takeshita, his business partner.

In addition to a fall in overall revenue, discount sales of bad inventories, purchased from a single supplier by Michi Takeshita caused a deterioration in the company's gross profit to sales ratio of 1.9 per centage points to 22 per cent.

Profits from the sale of assets failed to cover operating losses and the company incurred a net loss of Y5.08bn. However it has dipped into carried forward profits and special reserves to maintain the dividend at Y10.

The company foresees operating losses of Y1bn for the current half year and net losses of Y1.2bn, on sales of Y278bn. For the full year the company expects operating profits of Y1.05m and net profits of Y2bn, on sales of Y565bn, thanks to the completion of sales of Takeshita-related inventories and the refurbishing of its main store. The dividend will be cut to Y6.

Grand Marine to sell more ships

BY ANDREW FISHER IN HONG KONG

GRAND MARINE Holdings, the shipping subsidiary of the seriously ailing Carrian Group, is close to a deal on the sale of eight more ships which could wipe another US$95m off its debt of around $260m, bankers said.

The shipping company, which been caught up in the problems of its parent—a number of bankers think efforts to restructure Carrian's crumbled finances are doomed to failure—recently sold 20 ships back to the original owners, the Li family, which still owns 18 per cent of GMH. This reduced debt by US$145m.

It also cut the number of banks which GMH has to deal with from 35 to around 20. Differences between banks over how to save GMH led to the abandonment of a previous ocmprehensive scheme, the aim now being to link banks with the ships on which they have lent money.

The deal believed about to go through involves Pacnorse, a consortium owned by the Atle Jebsen Company of Norway and Whelock Maritime of Hong Kong. Pacnorse sold the eight 34,000 dwt bulk carriers to GMH in 1981 and then chartered them back.

Mr Nicholas Asimakopulos, the 45-year-old chief executive of GMH who joined the company last June, said discussions with Pacnorse had not been concluded.

But one banker involved in the talks said "negotiations have essentially been finished — everyone has agreed to the same transaction." He reckoned the ships would be worth some $9m-$10m each, without charters.

Mr Atle Jebsen, head of Jebsen, one of Norway's biggest shipowning groups, is due to arrive in Hong Kong today, though it is not known if his visit is specifically to do with the Pacnorse talks.

Mr Asimakopulos said one 10-year-old bulk carrier, the 19,000 dwt Grand Globe, was up for sale at over $3.5m to an unnamed buyer from outside Hong Kong. Talks on charters and delivery deferrals for ships still being built are also under way. These comprise three in the UK, three in East Germany, and two in Spain. Some bankers reckoned these negotiations would prove tough for GMH.

Mr Asimakopulos said: "I am pleased with how things are progressing." Born in Canada, he was formerly in Geneva with Tradax, the shipping arm of the Cargill commodity group of the U.S.

Carrian owns just over 60 per cent of GMH and boosted its fleet up to the fourth largest in Hong Kong. High rents and overheads associated with GMH's move into the main Carrian building in the Colony have been an extra drain on its finances, bankers noted.

NORTH AMERICAN QUARTERLY RESULTS

AMCA INTERNATIONAL

First quarter	1983	1982
	$	$
Revenue	259m	364m
Net profits	2.6m	15.8m
Net per share	0.08	0.59

AMERICAN BROADCASTING (ABC)

First quarter	1983	1982
	$	$
Revenue	663.1m	612.9m
Net profits	13.9m	24.2m
Net per share	0.48	0.84

More results on Page 30

More results on Page 30

AMF

First quarter	1983	1982
	$	$
Revenue	289.7m	268.1m
Net profits	†3m	10.6m
Net per share	0.13	0.46

† Loss

BALLY MANFG.

First quarter	1983	1982
	$	$
Revenue	194.8m	248.3m
Net profits	2.07m	17.1m
Net per share	0.08	0.82

BLUE BELL

Second quarter	1982-83	1981-82
	$	$
Revenue	328.4m	342m
Op. Net profits	16.6m	13.3m
Op. Net per share$5	1.30	1.04
Six months		
Revenue	568.7m	604.7m
Op. Net Profits	20.7m	19.5m
Op. Net per share	1.62	1.53

BORG-WARNER

First quarter	1983	1982
	$	$
Revenue	813.5m	737.3m
Net profits	35.5m	36.3m
Net per share	0.80	0.85

CONSOLIDATED EDISON

First quarter	1983	1982
	$	$
Revenue	1.35bn	1.33bn
Net profits	109.8m	126.4m
Net per share	0.78	0.92

CONSOLIDATED FOODS

Third quarter	1982-83	1981-82
	$	$
Revenue	1.6bn	1.44bn
Net profits	38m	33.4m
Net per share	1.26	1.13
Nine months		
Revenue	4.85bn	4.3bn
Net profits	117.4m	105.8m
Net per share	3.92	3.65

FLORIDA POWER & LIGHT

First quarter	1983	1982
	$	$
Revenue	716.9m	643.1m
Net profits	59.6m	51.4m
Net per share	0.95	0.94

KERR-McGEE

First quarter	1983	1982
	$	$
Revenue	850.5m	936.7m
Net profits	23.7m	29.2m
Net per share	0.45	0.56

LOBLAW COS

First quarter	1983	1982
	C$	C$
Revenue	1.38bn	1.37bn
Net profits	8.2m	7.6m
Net per share	0.19	0.17

MANVILLE

First quarter	1983	1982
	$	$
Revenue	430.1m	419.1m
Net profits	20.3m	†5.2m
Net per share	0.59	0.48

† Loss

MAPCO

First quarter	1983	1982
	$	$
Revenue	469.4m	480.8m
Op. Net profits	37.6m	52.9m
Op. Net per share	0.35	0.58

METROMEDIA

First quarter	1983	1982
	$	$
Revenue	121.5m	88.3m
Op. Net profits	9.4m	10.1m
Op. Net per share	3.18	2.51

NORFOLK SOUTHERN

First quarter	1983	1982
	$	$
Revenue	735.2m	899.9m
Net profits	55.9m	131.1m
Net per share	0.89	2.10

Pitney Bowes boosts income to $20.3m

By Our New York Staff

PITNEY BOWES, the U.S. office products group, reported further strong profits growth for the first quarter of 1983, with net income up from $15.5m to $20.3m. The company said it expected further sales and profitability gains over the rest of the year.

The group's credit and leasing interests played a big part in the increase, with net income up by $1.7m to $5.5m.

Pitney reported strong gains in its business equipment sector. Its mailing and copier businesses both showed increases, and the Dictaphone Corporation subsidiary showed revenue gains in word processing and dictaton equipment. The overall profits increse was concentrated in the U.S. and Canada. Sales in Europe were unchanged in dollar terms, and operating profits fell by 9 per cent to $1.7m.

Total sales rose from $342.2m to $389.1m, and earnings per share climbed from 81 cents to $1.04.

(Advertisement)

DAI-ICHI KANGYO BANK

DKB ECONOMIC REPORT

April 1983: Vol. 12, No. 4

Japan's economy remains weak, Production marks time, Domestic demand stays stagnant

1. Falling oil prices

In mid-March, OPEC reduced its crude oil prices by $5 per barrel. It is believed that lower oil prices will have a salutary effect on international balance of payments and on prices in Japan and other oil-consuming countries, eventually contributing to the betterment of the world economy as a whole. However, in the short-term, it is feared that the OPEC countries might withdraw their overseas investments to make up for the deterioration in their current account balances, and that the accumulated debts of some developing countries will become more serious, causing intensified concern over international financial insecurity.

With such uncertainties hanging over the future, one good sign that is emerging for the world economy is an upturn in the U.S. economy. Symptomatic of this are the rebound in personal consumption and the surge in housing construction. The world is watching to see whether these signs, together with the trend of interest rates and fiscal deficits, will lead to substantial recovery of the U.S. economy.

2. Japanese production activities marking time

Both mining and manufacturing production and shipments have repeatedly advanced and receded since last autumn. Although the production and shipment indices as a whole do not show definite signs of an upturn, there is a marked disparity between the recovery of the materials industry and that of the processing industry. Whereas production and shipment in the materials industry trended downward throughout 1982, in the processing industry they hit the bottom last spring and almost recovered to the previous year's level by the end of 1982. The inventories of finished goods of both the processing and materials industries showed similar movement, increasing in the first half and decreasing in the second half. But the fluctuations in the former industry were somewhat violent, whereas those of the latter were mild. This was due to the fact that production and shipment in the processing industry continued to increase steadily until autumn 1981, reflecting strong exports, but later the industry was forced to trim an unexpected buildup of inventory as exports slowed down sharply. On the other hand, the inventory of the materials industry was kept low for a long time because its recession continued far longer than that of the processing industry.

The question is whether exports will recover. Seasonally adjusted exports are falling month to month in volume, dropping 4.7 per cent in November and 4.8 per cent in December. After scoring an increase in the September-November period, export letters of credit received (in dollars) decreased 1.2 per cent in December and 4,8 per cent in January. In the U.S. the pace of recovery is still slow, and in Europe protectionism is gaining strength with shrinking demand and high unemployment. Nothing is seen in the offing that might contribute to the improvement of Japan's export environment.

3. Domestic demand stagnant

The all-important domestic demand seems to be stalling, too. Personal consumption expenditure, which propped up the economy in the first half of last year, is sluggish. The household budget survey shows that consumption spending has been stagnant after hitting a peak last spring (see Graph). Large-scale retailers' sales show only a very mild growth on the average, with violent fluctuations from month to month. The biggest cause is the lack of increase in personal income. Despite the stabilization in prices, real payroll income has leveled off after last spring's marked increase, and disposable income after taxes and social security premiums is on the decrease. It is estimated that income from wages and salaries in December did not increase because the gain in the year-end bonus was minimal (up 3.2 per cent over 1981, according to a Labor Ministry survey). Although households are trying to maintain their consumption level by cutting their savings rate, it may be futile to hope for any substantial boost in personal consumption demand.

Housing investment, too, appears low-keyed, reflecting stagnant personal income and a rise in household expenses. The number of housing starts, which had exceeded the previous year's level since last July and registered a double-digit increase in October and November over previous months, managed to post a scant gain of 2.1 per cent in December. This was due to the fact that government-financed housing, which had been advancing at a rate of more than 40 per cent every month until last November, lost steam in December, registering an increase of only 8.4 per cent. It is evident that until November, the high level of housing construction was sustained by the rush to take advantage of lower interest rates before the revision of the Housing Loan Corporation's loan terms.

Cause for apprehension is seen in the trend of plant and equipment investment. Seasonally adjusted shipments of capital goods (excluding transport machinery), after dipping sharply in October to 10.8 per cent below the preceding month, recorded increases of 4.5 per cent in November and 6.2 per cent in December. Machinery orders received (private demand excluding electric power plants and ships), a leading indicator, after seasonal adjustment recorded a quarterly decrease of 3.6 per cent in the July-September quarter and a monthly drop of 15.5 per cent in October, but rebounded slightly in November to an increase of 5.7 per cent over October. However, they dipped 3.9 per cent in December, making the October-December average 8.8 per cent below the preceding quarter.

Although a tax cut will be enforced in fiscal 1983 for capital investments by medium and small enterprises, the proposed plan is not big enough to stimulate the investment zeal of medium and small businesses that are hard hit by recession. In addition, all electric power companies recently announced the downward revision of their investment plans for fiscal 1983, a serious factor that casts a dark shadow over the capital investment outlook.

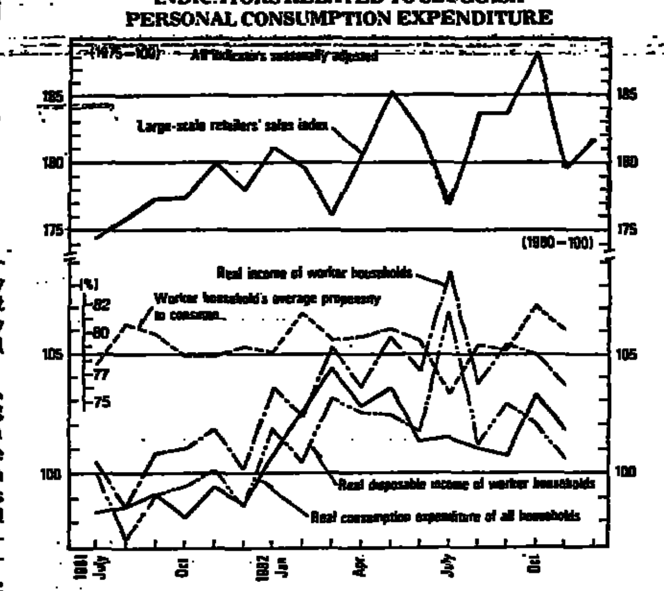
Consequent to the improvement in the yen's exchange value, prices are becoming further stabilized. The December wholesale price declined by 1.3 per cent from November, which reflected drops of 4.0 per cent in export prices and of 5.5 per cent in import prices, led by the yen's appreciation. Conspicuous in the fall of domestic wholesale prices (down 0.1 per cent from the preceding month) were the lower prices of such intermediate goods as nonferrous metals, steel and textiles. Consumer prices also are on the wane, registering drops of 1.1 per cent in November and 0.2 per cent in December from the preceding months, a 1.8 per cent rise over the previous year's level. Mirroring the stable prices and stagnant production activities, the increase in money supply (M_2 + CD average outstanding) over 1981 was more or less stable — 8.3 per cent in October, 8.9 per cent in November and 7.9 per cent in December. It is projected that the money supply will register a 7 per cent increase in the January-March quarter of this year.

4. Deadlocked monetary policy adds to uncertainty

The improvement of the yen's exchange value since the middle of November last year as a reaction to the lowering of interest rates in the United States has come to a pause as the U.S. rates have steadied. In recent months, the yen's rate to the dollar has remained more or less in the ¥230-240 range. Because of the current stability in the exchange rate and the increased national bond issues, long-term interest rates have not dropped further after they declined 0.3 per cent in December and 0.2 per cent in January this year. Under these circumstances, the lowering of the official discount rate, originally expected sometime in January, has not materialized. Judging from the weak demand for funds in the private sector and the sluggish domestic business situation, a lowering of rates at the earliest possible date is desirable. Yet, the government's monetary policy is under strong restraints of the uncontrollable exchange rate and the deficit-covering bond issues.

Under the current interest rate structure, in which long-term interest rates are based on those of national bonds, long-term rates must be fixed at a high level as long as the excessive issue of deficit-covering bonds continues. The national finance, burdened with bond interest payments of as much as ¥8 trillion per annum, makes flexible fiscal management nearly impossible and heavily shackled monetary policy.

INDICATORS RELATED TO SLUGGISH PERSONAL CONSUMPTION EXPENDITURE



UK COMPANY NEWS

Carpets losses increase to £5.6m

SECOND HALF pre-tax losses of Carpets International expanded from £200,000 to £2.6m and for the full 1982 year the figure was more than doubled at £5.58m, as forecast, compared with a previous £2.39m.

Turnover for the 12 months was down at £105.04m against £117.02m, and, as last time, there is no dividend.

Mr Bill Trow, managing director, said later that the group had made sufficient profits in March to ensure that the first quarter produced an overall profit. He pointed out that in January the group had not made a profit, but it did "get things under control" in February and broke even.

During last summer, the company's Australian subsidiary was merged with two other significant Australian carpet businesses, producing a much needed infusion of cash and permitting the company to simplify its UK debit structure by retiring its debenture stock issue.

And the company arranged a loan from Interface Flooring Systems, the U.S. associated company, as a means of partially financing its business recovery plan for 1983.

The results of these were a significant restructuring of the company's capitalisation, a new commitment to making the UK subsidiary more competitive in its cost structure and, several departures from management ranks. The urgent necessity has been to reduce fixed overhead costs, directors state.

The European operations experienced their worst ever year with a loss of £7.44m, but group companies in the other three regions—America, Asia and Australia—all returned pre-tax profits amounting to a total of £1.86m.

Following further changes in the structure of Interface, details of which will be circulated to shareholders with the annual report, Carpets now holds 26 per cent of the issued share capital of Interface. It is intended to keep this holding as a long-term investment, the directors say.

Pre-tax figure for the year was after interest of £3.44m, compared with £3.33m, but included associate companies share of profits, £1.51m (£850,000). Tax charge took £1.11m (£750,000), minorities £170,000 (£290,000) and there was an extraordinary debit of £340,000 (£880,000 credit).

Before the extraordinary items loss per share is given as 29p (14.5p).

Mr Trow said it would be wrong to make extravagant forecasts, but he remained convinced the group would be profitable this year. Interest payments, he said, would be "significantly less." He added that "I hope we can get back to the league of dividend payers as soon as it is appropriate to our circumstances."

See Lex

HIGHLIGHTS

Lex today looks at the markets with the FT Industrial share index breaking through 700 in the morning before easing later, and considers the factors behind the euphoria, including the CBI's confidence and Wall Street. The column goes on to examine Carpets International which has reported *heavy full-year losses but expresses optimism for the future.* Also discusses in the rights issue by CRA to raise A$206.5, which will result in some dilution of the RTZ holding but not to below 50 per cent. Further Lex considers Exco International whose shares fell on a relatively lukewarm Wall Street response to the floating-off of its high-flying information off-shoot Telerate, at a price of US$20 a share.

Newman Inds. in the black at £348,000

Pre-tax profits of £348,000 compared with losses of £4.11m have been produced by Newman Industries for 1982. Turnover slipped from £77.98m to £72.37m.

The directors express confidence in the future. Last March they announced that all conditions for the refinancing had been satisfied, and the proceeds of the issue—£8.8m before expenses—were released to the company. This, together with improvement in continuing businesses shown in 1982, and carrying on into the first quarter of 1983, gives the directors grounds for confidence in the future.

Losses per share amount to 0.8p (12.1p)—the directors do not recommend payment of a dividend on any class of share.

At the trading level profits rose by £3.6m to £4.17m which the directors say was a result of improved profits in the continuing businesses and the elimination of losses in those businesses which have been discontinued or sold. The pre-tax result was also lifted by a reduction in interest charges from £4.65m to £3.82m.

Trading profits broke down as to: continuing businesses £4.88m (£3.9m) and discontinuing businesses losses £711,000 (£3.36m).

Tax—which is charged on overseas earnings—amounted to £650,000 against £711,000 previously. Extraordinary debits were cut from £8.01m to £796,000.

Boase Massimi Pollitt shares offered at 280p

BY ALISON HOGAN

Boase Massimi Pollitt, the advertising agency whose clients include Courage, and Reckitt and Colman, is offering for sale at a minimum tender price of 280p, 1,514,081 ordinary shares, 29.4 per cent of its ordinary share capital.

Morgan Grenfell has agreed to subscribe for and purchase the shares and has secured underwriting for the issue. Rowe and Pitman are brokers to the offer for sale.

BMP has made a pre-tax profit forecast of £1.35m for 1983, compared with £790,000 in 1982. At the minimum tender price of 280p per share, the company is valued at £14.4m and would sell on a prospective multiple of 23.7. A dividend is forecast of 4.5p net for 1983 giving a yield of 2.3 per cent.

Applications for the offer for sale open at 10 am May 4 and dealings are expected to commence on May 11.

● **comment**

After 15 years in the business, Boase Massimi Pollitt has decided to follow Geers Gross and Saatchi & Saatchi to become the third advertising agency to seek a full stock market quotation. (Wight Collins Rutherford Scott, just four years old, made a spectacular entrance to the USM in January opening 125p above its placing price of 150p in a much narrower market.) BMP is not likely to take off at such a premium, it has been priced with a close eye to the sector where the prospective PE of 23.7 is average—though selling on a historic PE of 46.2 might seem a little fanciful. BMP has just clinched two big deals, not included in its 1983 profits forecast. The first worth £½m billings is for Johnnie Walker Black Label, the second, for Carreras Rothman is worth £3m a year. Courage, its largest client has billings of £5m, 13 per cent of BMP's total billings. BMP has shown a slow but not spectacular growth record building a sound reputation both with clients and in the advertising world. It pioneered account planning, the extensive use of data at every stage of a campaign, since taken up by other agencies and has a good creative record which includes the famous Courage "gercha" ads. Its staffing is remarkably stable for the advertising world, the average service of board members is over 11 years. It had a hiccup in 1979 when it lost £27,00 mainly due to two subsidiaries since disposed of. BMP seeks a listing to have better access to capital markets for future expansion and, though not for the foreseeable future, acquisition. Advertising agencies weathered the recession well and BMP still have many markets to conquer. A premium of 10 per cent over the 280 minimum tender price is quite possible.

Trafford Park £3m debenture stock issue

Trafford Park Estates is issuing £3m first mortgage debenture stock 2007/10, payable as to £25 per £100 nominal on acceptance and as to the balance by August 31 1983.

The proceeds of the issue will be applied in the development of industrial units on land owned by Trafford in the Trafford Park Enterprise Zone.

Baring Bros. has undertaken to subscribe or procure subscribers for the whole of the stock, which is being placed through brokers to the issue, Cazenove & Co.

Trafford will have the power to redeem at par, together with accrued interest, the whole or any part of the stock at any time after September 30 2007.

Interest will be payable in half-yearly instalments on March 31 and September 30 in each year; the first payment will be in September of this year.

Baring Bros. state that the terms of the stock have been determined as follows: coupon 11¾ per cent; issue price £98.579 per £100 nominal; gross redemption yield on issue 11.93 per cent.

The first interest payment will be £1.9454 (less income tax) per £100 nominal of the stock.

Dealings are expected to start at 2 pm tomorrow for deferred settlement on May 4.

BSG falls £1.29m in the red for year

LOSSES in the second half at BSG International accelerated from £194,000 to £1.51m pre-tax and this vehicle distribution, leasing and component maker ended 1982 £1.29m in the red, compared with profits of £320,000.

Mr H. A. Whittall, the chairman, says that trading in the last quarter in particular was extremely difficult. He explains that competition caused gross profit contributions from vehicle sales to be cut so low that they did not cover expenses.

The reduction in the number of vehicles built in the UK last year caused a severe cut-back in the turnover of the group's component makers, he states, which was intensified by extensive short-time working in German car manufacturers in the latter part of 1982.

"The last few months dashed our hopes of a small profit for the year," Mr Whittall says.

Group turnover for the 12 months amounted to £258.2m, against £247.6m.

Trading profits were down at £3.56m (£4.98m)—vehicle distribution £1.99m (£2.81m) and manufacturing £1.57m (£2.17m) —and the pre-tax figure was after associates loss of £138,000 (£45,000) and interest charges of £4.71m (£4.61m).

After tax of £609,000 (£496,000) loss per 10p share is given as 3.34p (0.53p). As last year there is no final dividend making the interim of 0.1p (same) the total.

Mr Whittall says the increase in vehicle sales and a noticeable pick up in demand in the component companies has meant a greatly improved first quarter for 1983.

He adds that although forecasting is "dangerous at the best of times the indications at present are more encouraging than I have experienced at any time since becoming chairman two years ago."

● **comment**

Bleak trading conditions in practically all of BSG's divisions led to a swing back into the red and a missed final dividend for the third year running. The bulk of the losses came from the French vehicle components and accessories company, which also suffered from a government-imposed 10 per cent wage rise, VAT increases and a price freeze during the last half. BSG is considering drastically reducing or selling the subsidiary. Car production across Europe declined, cutting heavily into components turnover. Orders are, however, currently improving — in some cases three times up on last year — and the group should benefit in the UK from its contract to supply parts for the Metro, Maestro and Sierra. Vehicle distribution turnover actually rose last year, but the market was so competitive that sales failed to cover expenses. Margins have become positive again in the past few months on the back of a harder market. The group was profitable again in the first quarter, but debt remains a serious burden at 158 per cent of shareholders' funds. BSG is thinking of further disposals to improve the balance sheet. The market, marked the shares down 1p at 13p.

Sharply higher profits of £1m by De Vere

Almost doubled pre-tax profits of £1m against £537,794 have been shown by De Vere Hotels and Restaurants for 1982. The directors say this followed a rise of 5.25 per cent in turnover from £20.7m adjusted for disposals, to £20.46m.

The final net dividend has been held at 3p which maintains the total at 6p—earnings per 25p share were shown as rising from 4.1p to 5.2p.

At the trading level profits moved ahead from 2.48m to £2.84m, from which there was a lower provision for repairs renewals and depreciation of £1.83m (£1.94m).

Tax amounted to £398,018 (£61,593) after which there were extraordinary credits of £360,985 against £1.4m, which included realisation of prior year revaluation surpluses of £270,050 (£1.95m).

Jessel, Toynbee and Gillett surges ahead to over £2m

NET PROFITS of discount house, Jessel, Toynbee and Gillett, have surged ahead from £0.58m to £2.17m for the 12 months ended April 5 1983. Comparative figures have been restated to include Gillett Brothers Discount Company for the year to January 31 1982.

The amalgamation of Jessel, Toynbee and Gillett Brothers Discount took effect on January 10 1983. The directors say it has been a profitable year in spite of difficult markets in the second half. The merger has been accomplished very successfully and the benefits of reduced costs are already evident.

The current year has started satisfactorily, they state.

Group profits for the year were arrived at after providing for rebate, tax, merger and all other expenses and transfer to reserve for contingencies.

The final dividend is being stepped up from 3.25p to 3.5p net making the total payment 0.5p higher at 5.5p per 25p share—a final of not less than 3.25p had been forecast.

A balance of £0.75m (£1.07m) was brought forward from the previous year raising the surplus to £2.92m, against £1.65m. Dividends absorb £1.21m (£0.9m) leaving the retained balance almost £1m ahead at £1.71m, compared with £0.75m.

The directors report that inner reserves have been increased substantially during the year.

● **comment**

There was a touch of disappointment at the figures from the enlarged Jessel Toynbee in a year that produced extremes. The original company's performance was probably near a record. Falling interest rates produced buoyant first half conditions but as rates began to rise from November onwards the climate changed and did not ease until the year end. The merger with Gillett has produced the expected benefits of lower overheads. With staff cut by half to 40 overheads are now around 110 per cent that of the original Jessel company. This has enabled a much needed restoration of margins and there are indications that market share has been held and possibly increased. But the fortunes of a discount house are very much a day to day affair and the current uncertainties on the economic front do not help forecasting. From the shareholders' point of view the choice is between capital growth arising from falling interest rates or dividend yield. With interest rates unlikely to move dramatically in the short term the focus will be on the yield. Despite a slightly disappointing dividend it follows Jessel's consistent record on this front in the past and produces a very acceptable yield of 10.8 per cent after yesterday's 1p fall to 75p in the share price.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
BSG International	Nil	—	Nil	0.1	0.1
A. Caird & Sons	0.5	—	1.25*	0.5	1.25*
De Vere Hotels	3	July 4	3	6	6
Jessell, Toynbee	3.5	June 9	3.25	5.5	5
Lilleshall	1	—	1.5	1	2.5
London & Prov Shop int	0.75	July 1	0.6*	—	2.4*
Marlborough Prop	0.45	May 27	0.4	0.45	0.4
North British Preps int	1.1	July 4	1.1	—	3.1
Pleasurama int	1.75	Sept 15	0.88*	—§	3.75*
Shiloh	1.25	June 16	Nil	2	Nil
Telephone Rentals	3	July 4	2.63*	5	4.63*
TR Australia Inv ... int	1.6	July 1	1.6	—	3.5

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Final of at least 4p forecast.

Pleasurama boosted by acquisition of Maxim's

FOR the six months ended March 27, 1983 leisure group Pleasurama returned pre-tax profits of £8.22m, an increase of £5.22m over the corresponding half year's figures.

The net interim dividend is effectively increased from 0.8750p to 1.75p

Turnover for the half year expanded from £8.36m to £15.3m

Tax took £3.12m (£929,000) after which stated earnings per 5p share came through much higher at 14.9p, against an adjusted 5.4p.

● **comment**

A significant chunk of Pleasurama's more than doubled pre-tax profits came from Maxims. But increased consumer spending has also benefited the group's provincial clubs and dance halls and the company reports lively trading at its casinos, compared with an unusually dull first half of 1982. The London gambling interests in particular received a boost from increased conference activity in the capital, while the relative cheapness of sterling has attracted high spending tourists eager for a punt. The net cash position, at £13.8m, continues to strengthen, but the company says no further acquisitions are on the cards until Trident has been put to bed. Predictions for the group are almost by definition risky, but if it only repeats its performance in the last half of 1982, Pleasurama would make £14.7m pre-tax in the current year. The shares steamed ahead 48p to 328p.

Securities Tst of Scotland £5m debenture

Arrangements have been made for the issue by Securities Trust of Scotland of £5m 12 per cent debenture stock 2013 by means of an underwritten placing. The stock has been issued at £99.783 per cent to give a gross redemption yield of 12.03 per cent.

The directors have for some time felt that the introduction of further gearing into the capital structure of the company would be of long term benefit to the capital and income of ordinary shareholders.

Wound up

Lamaway Homes has been compulsorily wound up by Mr Justice Harman in the High Court today.

Telephone Rentals raises final despite £1.1m fall

A FALL in second-half profits from £7.08m to £6.58m left Telephone Rentals with lower 1982 pre-tax figures of £12.73m, compared with £13.83m.

At midway—when profits were down from £6.75m to £6.15m—the directors said that as trading conditions would continue to be difficult for the remainder of 1982, they were not expecting any recovery in the second half. However, their confidence in longer term prospects was undiminished.

After an unchanged interim dividend, the final payment is effectively being raised from 2.625p to 3p for a higher total of 5p (adjusted 4.625p).

Orders for new rental business in the first quarter of 1983 are substantially ahead of those obtained in the same period last year. Sales business however, shows some diminution, partly as a result of the swing from sale to rental.

Results from overseas operations in aggregate are expected to at least match those for 1982. In the UK, the company will continue to have start-up expenses in connection with the liberalisation of the BT monopoly, but the directors are quietly confident that the material benefits arising from their efforts will begin to be realised before the end of 1983.

At the trading level, 1982 group profits dropped from £12.84m to £11.59m. These were struck before a lower associate's contribution of £193,000 (£409,000) but interest received £360,000 higher at £940,000.

The tax charge decreased from £5.89m to £5.39m. After minorities of £55,000 (£48,000) and extraordinary credits of £2.41m (£209,000 debits), the attributable surplus came out ahead at £9.7m, compared with £7.89m.

● comment

Telephone Rentals' 9.7 per cent decline in pre-tax profits reflects the costly process of gearing-up for the relaxation of monopoly controls on telecommunications equipment. It spent £500,000 on training engineering and sales forces alone last year and will continue to dig deep into its admittedly well-lined pockets until the end of 1983. Staff reductions burdened Simplex in the first half, but the new subsidiary picked up well later in the year. The £2.4m extraordinary credit represents the surplus on a property sale and brings the group's cash pile to around £8m—most of which it aims to spend on new installations in the current year. Contract cancellations are steadily decreasing and the order intake is substantially better than in the past two years—a situation which is expected to improve further following a hefty sales onslaught on the PABX market in preparation for its liberalisation in July. The full impact will not be felt until 1984, but £15m pre-tax still looks possible this year. The share price rose 13p to 184p, putting the group on a fully-taxed prospective p/e of 19.6, reflecting its lively growth prospects.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims: Audio Fidelity, Hawkins and Tipson, Samuel Properties, S. Simpson.

Finals: Aero Needles, Blue Circle Industries, Boosey and Hawkes, Coleman Milne, Davies and Newman, Downiebrae, Parnell Electronics, Francis Industries, House of Fraser, Hunting Associated Industries, J. Laing, Office and Electronic Machines, Pochin's, Silentnight, Whatman Reeve Angel, George Wimpey, Wire and Plastic Products, Yule Catto.

FUTURE DATES

Interims—	
Avon Rubber	May 25
Fitzwilton	Apr. 29
Sungei Bahru Rubber Estates	May 5
Whessoe	May 11
Finals—	
Doranakande Rubber Estates	May 5
Folkes (John) Hefo	May 4
Jenks and Cattell	May 3
Metal Box	June 13
Midland Marts	May 3
Seccombe Marshall and Campion	May 12
Wamford Investments	May 4

Marlborough Property advances

Taxable profits of Marlborough Property Holdings rose from £471,000 to £510,000 for 1982 despite a £140,000 rise in interest charges to £679,000—all comparisons have been restated.

Earnings per 5p share improved to 1.62p (1.48p) and the dividend is being increased from 0.4p to 0.45p.

A directors' valuation, carried out in consultation with professional advisers, excluding the associated company development, shows net asset value at approximately 30p per share.

A similar valuation of trading developments, excluding future development profits, indicates an additional asset value of 11p per share. This total of 41p represents an increase of approximately 30 per cent since 1980, the directors state.

Gross rental income for 1982 rose by 17 per cent to £686,000 (£585,000). Sale of properties totalled £1.94m (£1.69m).

In 1983 there will be some loss of income on sites now undergoing redevelopment which were previously income producing. Since the year-end the company has also disposed of a low-yielding investment property.

Mr M. M. Lange, the chairman, anticipates, however, that subject to the timing of the reinvestment of the proceeds of this sale, gross rental income will again exceed that for 1982. He remains confident that ultimate lettings of the company's current development programme, together with expected acquisitions and rent reviews, all point to a substantial increase in rental income for future years.

Pre-tax profits for 1982 included those from the associate. They were in line with expectations but future profits from this source will largely depend upon the timing of sales.

Tax took £161,000 (£152,000)—extraordinary credits added £63,000 in 1981.

London & Provincial Shop 34.5% ahead at mid-year

FOR THE half year ended December 25 1982 pre-tax profits of London & Provincial Shop Centres (Holdings) totalled £380,000, an advance of 34.5 per cent over the £282,000 returned for the same period in 1981 before adding £75,000 for capitalisation of overheads.

All comparisons have been restated for a change in accounting policy.

The net interim dividend is being effectively increased from 0.6p to 0.75p, a rise of 25 per cent, and subject to unforeseen circumstances the directors will propose a similar percentage increase in the final.

This would indicate a final payment of 2.25p and make a total for the year of 3p (2.4p adjusted).

Gross rental income for the six months improved to £1.61m (£1.59m). The directors say this figure is expected to rise to approximately £3.5m (£3.19m) for the full year with estimated pre-tax profits reaching £1.4m (£923,000).

Earnings per 10p share were 1.72p (1.28p).

Second half profits help reduce A. Caird deficit

WITH second half profits before tax of £10,000 against losses of £90,000 pre-tax losses of A. Caird and Sons for the year to the end of January 31 were reduced from £216,000 to £146,000. Turnover of this clothing and sports goods retailer, which trades in Scotland, slipped from £2.58m to £2.5m.

Despite the losses, and the need to conserve resources for development, the directors view the future with confidence and are recommending a dividend of 0.5p against 1.25p adjusted for reorganised share capital. The deficit per share was given as 4.74p against 9.16p.

Trading for the second half of this year was much improved, say the directors. The cash subscription by Parque Investment Co in July and the sale of the freehold premises in Elgin in January 1983 gave a strong balance sheet at January 31.

The acquisition of 80 per cent of Traveller Distribution in March has given an opportunity to be involved in a new business

The charges for tax decreased from £15,000 to £10,000, leaving net losses down from £231,000 to £156,000. Extraordinary credits amounted to £350,000 against £537,000 which left lower attributable profits of £194,000 compared with £306,000.

Lilleshall cuts losses to £44,000

Pre-tax losses of steel stockholding and engineering concern, the Lilleshall Company, were cut from £100,000 to £44,000 for the year ended December 25 1982 with the second-half deficit lower at £5,000, against £16,000 last time.

Mr J. G. Price, the chairman, reaffirms his forecast made at the interim stage, that the group should return to profitability in the current year, providing trading conditions do not deteriorate.

There are no hard indications of any sustained increase in demand and margins remain very slim, says Mr Price. However, the company is competitive in the markets in which it operates and there is greater optimism in all divisions.

The final dividend is 1p (1.5p) per 10p share, but following the omission of the interim (1p), the year's total payment is 1.5p lower. The directors will waive their dividend entitlement in respect of their personal holdings of 1,128,872 shares.

Turnover for the year improved from £10.01m to £10.71m. At the attributable level, losses increased sharply from £165,000 to £805,000, reflecting extraordinary debits of £753,000 (£38,000) arising from closure costs of the steel rolling mill. Tax took £8,000 (£27,000).

Bank borrowings were high at the year end but are being reduced materialy as the effects of the mill closure are completed.

Change of balance in L & G profits

THE LAST two years at Legal & General Group have seen a major change in the balance of the group's profitability as between the UK and overseas, Professor R. J. Ball, the chairman, points out in his annual statement.

He says the benefits of the overseas strategy began some two years ago are now being seen in the group's accounts. The overall results is that, whereas in 1981 overseas activities accounted for 10 per cent of after-tax profits, this has arisen to more than 25 per cent in 1982, after taking into account the financing costs relating to the purchase of Banner Life (formerly Gelico).

The board regards this as a reflection of its wish to seek opportunities for diversification based on the group's skills and competence in life insurance and a reduction in its dependence on UK pension business.

The group's overseas strategy has entailed the elimination of loss-making activities in direct short-term business overseas, notably in Australia, France and Spain. Considerable attention has also been paid to containing the underwriting losses experienced by Victory in the reinsurance market and, despite a depressed international reinsurance market, there has been a distinct improvement for 1982 over 1981.

Professor Ball adds that the group has built positively for the future through the establishment of Banner Life in the U.S. and promoted a fresh impetus in its life and superannuation business in Australia.

As reported on March 31, group profits, after tax and minorities, advanced by 19 per cent from £29.4m to £35.1m for 1982, with Banner Life contributing £9.1m.

James Neill deficit down to £0.5m

DESPITE returning second-half pre-tax losses of £711,000 compared with profits of £140,000, James Neill Holdings ended 1982 with a reduced deficit of £574,000 against £1m. Sales of this tool manufacturer and general engineer slipped from £47.85m to £44.96m.

There is again no dividend—losses per 25p share are shown as down from 6.9p to 4p. The last payment was a single dividend of 1.4p net for 1980.

There are signs of an improvement in home demand say the directors, and although many overseas markets are still in deep recession, destocking has eased and export demand is significantly higher. With the company's borrowing and overheads reduced the breakeven point is now lower and even a modest increase in demand will yield a significant improvement in profitability.

Borrowed funds fell from £13.02m to £9.66m, which is equivalent to 40 per cent (52 per cent) of shareholders' funds. The reduction was made in spite of capital expenditure of £0.92m and was attributable to stock reductions of £1.56m. It was also helped because the trustees of the UK retirement benefits plans return £1.99m to the company.

At the trading level profits fell from £1.79m to £823,000, which broke down as to UK £575,000 (£1.17m); overseas £230,000 (£607,000); and investment income of £18,000 (£17,000).

Interest took £1.55m against £2.37m after which, there were exceptional credits of £150,000 (debits £424,000), which consisted of a pension schemes surplus of £2m less redundancy costs, which jumped from £424,000 to £1.08m and relocation costs this time of £766,000.

Tax amounted to £136,000 (£230,000) which gave losses of £710,000 (£1.23m before extraordinary debits of £48,000).

On a current cost basis pre-tax losses amounted to £2.29m (£2.91m).

● comment

The news from the UK machine tool industry has been so gloomy for so long, the market added 4p to James Neill's share price at 31p when the company announced that in 1982 it reduced its losses from £1m to £0.57m and had strengthened its balance sheet by reducing gearing from 52 per cent to 40 per cent. There is still no dividend but 1983 should be the year for a return to profit. Having sensed false dawns before, the company is extremely cautious on prospects, but they do say that with the reduced borrowings (down another £1m to £8.66m so far in 1983) and with lower overheads, their "break-even" point is lower and even a modest increase in demand will yield a significant improvement in profitability. It is going to be a hard uphill struggle, starting from a very low base. The share price has come up from a years low of 23p already which on an optimistic forecast of £1m profits for 1983 puts them on a prospective PE of around 13, indicating that most of the upside has already been discounted.

Decrease at Newmarket Co. (1981)

Bermuda-based investor in venture capital projects Newmarket Company (1981), showed a decrease in pre-tax revenue before tax from $850,863 (£551,000) to $92,570 (£60,000) for the first three months to the end of March 1983. Revenue from operations amounted to $591,791 against $1.22m.

Pre-tax profits were struck after increased expenditure of $499,221 ($371,039). After tax credits last time of $926, and minority credits this time of $8,333 (debits $14,209) net revenue emerged at $100,903 compared with $837,580. Net revenue per share was shown as $0.01 ($0.06).

Investments at the end of March 1983 totalled $83.85m ($33.79m). Net asset value came to $7.37 ($5.1).

The directors say that the first quarter of 1983 has been particularly active partly because there have been seven additions to the portfolio and also because four more companies have gained listings in the over-the-counter market.

N. B. Properties lower at £311,000 but interim held

FIRST HALF pre-tax profits of North British Properties declined from £403,000 to £311,000 but the net interim dividend for the period to January 31 last is held at 1.1p per 25p share.

The figures were struck after a transfer of £181,000 (£494,000) in respect of interest and other outgoings attributable to properties in course of development.

Mr Elliott Ward, managing director, says the group's portfolio continues to perform soundly and that there will be further improvement as a result of lettings and reviews which have been completed and are currently taking place.

He adds that the letting market remains challenging and "has postponed the anticipated impact of development profits." However, some progress is being made with all the group's other projects.

It is pointed out that benefits are continuing from the opportunities available through the London office and, more recently, from the North West office which has been opened in Manchester.

Mr Ward concludes that the general view is that the economy is at last on the upturn and that all the group's current projects are favourably placed to profit from any such improvement.

Rental income for the six months expanded from £958,000 to £1.41m. Property outgoings took £105,000 (£53,000).

Pre-tax figures included £44,000 (£119,000) profit recognised on developments for sale in progress and a £37,000 (£65,000) share of associates profits. Deductions included £299,000 (£338,000) administrative costs and interest of £775,000 (£479,000) — the comparable figures also included a profit of £131,000 net from property sales.

Tax took £144,000 (£210,000) and dividend payments £153,000 (£143,000).

Earnings per share emerged at 1.2p (1.49p). Pre-tax profits for the 1981-82 year totalled £613,000.

Hafren seeks £5m

Hafren Investment Finance is having discussions with City institutions about raising a £5m found to provide venture capital for large-scale projects in Wales.

Shiloh ends year £0.51m in the black

Pre-tax profits of £305,000, against losses of £108,000, in the second half at Shiloh, formerly Shiloh Spinners, has left this spinner, doubler, and cotton manufacturer £510,000 in the black for the year ended March 26 1983. Losses for the previous year amounted to £166,000.

A final dividend of 1.25p lifts the total to 2p net per 25p share—previous to 1982-83 the last payment was a 1.08p final distribution in 1980.

The group should continue to make good progress during the current year and should benefit from any general improvement in the economy, directors say.

The figures for 1982-83 reflect both the expansion of the company's interests in medical disposables and protective clothing and an improvement in textile spinning during the second half.

Group turnover advanced from £8.54m to £9.83m

Earnings per 25p share are shown at 14p (nil) after tax of £115,000 (nil). Last year's losses were increased to £440,000 by an extraordinary debit amounting to £274,000.

BIDS AND DEALS

Throgmorton extends Pentland offer

CITY-BASED Throgmorton Trust yesterday announced that it has won control of 45.75 per cent of the shares of Pentland Investment Trust, which is managed in Edinburgh, and has extended its bid until May 6 in the hope of seizing a majority.

At the expiry of its first offer period on Tuesday afternoon, Throgmorton had acceptances from a 50-50 mixture of shares and debentures from holders of 21.1 per cent of Pentland. Another 0.2 per cent of acceptances are for the cash alternative. Throgmorton already had a 24.4 per cent stake in Pentland before launching its bid last month.

Throgmorton director Mr Bob Seabrook said yesterday that the offer to Pentland shareholders was not being raised. "We are extraordinarily pleased with the response," he said, adding that if Throgmorton won a majority holding, he believed the minority shareholders would surrender their holdings shorty after. "There are very few cases where people have hung on as a minority," he said. Under the City Takeover Code, the Throgmorton bid will lapse on June 4.

Mr Colin Crole, a director of Pentland, which has countered the take-over bid by proposing to merge its assets into a unit trust company, said that the battle would not end if Throgmorton succeeded in winning a small majority. "We would continue to fight for our shareholders' interests," he said.

Mr Hamish Buchan, of Edinburgh stockbroker Wood Mackenzie, said that it was not as easy for a bidder to improve his terms as it was in a take-over battle for an industrial company. "When you are buying assets you can value, rather than goodwill and prospects, it is a much more exact science," he said. "What one group of shareholders wins, the other group loses."

Americans raise stake in Sotheby's

BY CHARLES BATCHELOR

THE TWO American bidders for Sotheby's yesterday increased their stake to 29.8 per cent as shareholders—apparently unimpressed by the company's defence document—continued to dispose of their holdings.

Mr Stephen Swid and Mr Marshall Cogan, two New York businessmen, are now only marginally below the 29.9 per cent limit on share purchases imposed by the City take-over code.

Any further increase in their shareholding must now await the outcome of the 520p cash offer, the first closing date for which is May 4. Sotheby's however has said that it has established that the offer cannot close until May 10.

In the absence so far of a "white knight" emerging to make a counter bid for Sotheby's, the auctioneers appear now to depend solely on the intervention of the Secretary of State for Trade to block the American bid.

Morgan Grenfell, merchant bank advisers to the Americans, is concerned that Sotheby's board is lobbying intensely to have the deal blocked on the grounds that the company is a British institution which should not come under foreign control.

It is also worried at what it called "a smear campaign," aimed at focusing attention on two occasions when the U.S. Securities and Exchange Commission brought proceedings against Mr Cogan for alleged violations of its rules.

In one instance Mr Cogan signed a consent degree which did not amount to an admission of guilt and in the other no order was made against him.

Morgan Grenfell said it had obtained references from leading politicians, financiers, lawyers and businessmen in the U.S.—including the chairman of the American Stock Exchange—as to the characters of the two men.

The Americans now held 3.48m shares of Sotheby's including 1.32m bought over the past two days at 520p a share and 224,500 bought at 517p on Tuesday.

Further Fraser attack against demerger

House of Fraser has told its shareholders in a new circular dispatched yesterday that the group "including Harrods will bring great future benefits." It stresses that "to separate out Harrods from House of Fraser is to destroy your unique and integrated investment with all its potential."

The move marked the latest round in the campaign in which Lonrho, Fraser's largest shareholder with a 29.99 per cent stake, is trying to force the stores group to hive off Harrods of Knightsbridge in a demerger scheme.

In its latest circular House of Fraser says that "the board in considering the demerger proposal had the benefit of a report of hundreds of pages prepared by a special working party."

House of Fraser tells shareholders that "because of the volume and nature of the information (part of which is commercially sensitive) and because much of it requires a close knowledge of the company's business, the board believes it would be irresponsible and misleading for it to publish selected information in summarised and edited form to shareholders."

The working party report contained 12 sets of financial forecasts and the working party had prepared many more. Any figures would be at best illustrative and then subject to numerous caveats and qualifications.

The House of Fraser board attacks Lonrho's last circular of April 18 as "misleading."

Lonrho launched its own attack through a circular signed by Lord Duncan-Sandys, chairman of Lonrho, and Mr Roland "Tiny" Rowland, chief executive of Lonrho, in their capacity as directors on the board of House of Fraser. "We assure shareholders that the greatest possible care has been taken over the statements, facts and opinions expressed in our circulars," say the two men. "The only possibility, in our opinion for a profitable future is the separation of Harrods."

Professor Smith, chairman of House of Fraser, held a meeting of institutional shareholders at a special audio-visual presentation at Harrods last night to try to persuade them to back the board. Institutional shareholders own about two-thirds of the shares not held by Lonrho and a "fair selection" were expected to be at the meeting yesterday.

Professor Smith said: "The meeting is very important to us. For the first time we are talking to our shareholders in a very positive way and putting our views to them in a very imaginative way. We will be telling them what we have in mind." The presentation will include an explanation of the merchandising policy.

House of Fraser reports results for the last financial year today (Thursday). These are expected to be £44m pre-tax, including property sales, compared with £27.3m a year earlier. Stripping out the property sales pre-tax profits are estimated to be about £30m.

KWIK-FIT OFFER UNCONDITONAL

At an extraordinary general meeting of Kwik-Fit (Tyres & Exhausts) Holdings, resolutions to approve the proposed capitalisation isue by Kwik-Fit and the offer for Crest International Securities were passed.

At 3.30 pm on April 21 1983, acceptances had been received in respect of 28.3m ordinary shares of Crest (representing 81.16 per cent of the ordinary capital). Prior to the commencement of the offer period on February 8 1983.

Accordingly, the offer for Crest is now declared unconditional in all respects and will remain open for acceptances until further notice.

GARTON ENGNRG.

A resolution disenfranchising shareholders who will not reveal their identity was passed at the extraordinary general meeting of Garton Engineering, which preceded the annual meeting.

S. PEARSON & SON/ PEARSON LONGMAN

Acceptances to the offer by S. Pearson & Son for the outstanding shares in Pearson Longman have been received in respect of 146,852, 5½ per cent preference shares (85.5 per cent of the shares subject to offer), representing 78.6 per cent of the holders. The group held 86,515 prior to the offer announcement, and 146,577, 7 per cent preference shares (84.6 per cent of the shares subject to offer), representing 78.2 per cent of the holders. The group held 85,886 shares prior to the offer announcement.

The offers have been extended until May 10 1983, or such later date as S. Pearson shall decide.

SAXON OIL CLYDE PETROLEUM

On April 26 1983, the second closing date of Clyde Petroleum's offer for Saxon Oil, acceptances had been received in respect of 303,325 Saxon shares (approximately 2.02 per cent of the issued share capital). Before the offer was announced, Clyde held 1.5m Saxon shares (9.98 per cent).

The offer is being extended until 3 pm on May 10 1983.

CHARTERHALL

Charterhall has entered into an agreement to acquire the remaining 25 per cent of General Oil it does not already own. Consideration will be satisfied by the issue of 4,036,000 fully paid shares of 5p each in Charterhall, representing 9.46 per cent of its enlarged share capital.

ASSOCIATES DEALS

On February 10, Mr Michael Shellim and associates were the beneficiaries of a call option over 130,441 shares (10.86 per cent) of Pavilion Leisure Holdings. This option has now been exercised on behalf of associates of Mr Shellim.

James Capel and Co, as advising brokers to Edinburgh Investment Trust and Pleasurama, on April 25 bought for an associate of Pleasurama, 17,500 of that company's ordinary shares at 288p.

TRAFFORD CARPETS

At an EGM of Trafford Carpets (Holdings) the acquisition of the MCD Group was approved. All the special resolutions, including that to change the name of the company to MCD Group, were also passed.

Dealings in the enlarged capital of Trafford are expected to start on May 3, 1983.

MAM in £0.75m deal with Minns receivers

Management Agency and Music (MAM) has agreed to acquire from the joint receivers certain of the assets of Minns Music and its subsidiary Cranes Music.

Both businesses are engaged in the retailing of organs, pianos and other musical instruments.

Under the agreement MAM would acquire premises, stock and other assets sufficient to enable business to be continued from some 14 of the retail outlets.

Total cost of the acquisition is expected to be around £750,000, payable in cash, equal to the value of the assets being acquired.

CULLENS TO BUY FIVE SUPERMARKETS

Cullens Stores, the specialist grocer and wine, spirit and beer merchant, has agreed to acquire five small supermarkets from Key Markets, a member of the Fitch Lovell group.

The agreed price for the five retail outlets, located in Sussex, Kent and Wiltshire, is £975,077 in cash.

Contracts have now been exchanged and individual completions will take place during May and early June. Jobs are being offered to all staff on a continuing employment basis.

CONSORTIUM HOLDS 9.2% OF REECE

A consortium made up of Jatel, Lawrie Plantation Holdings and Camellia Investments has increased its stake in Reece Corp of the U.S., to 9.2 per cent of the outstanding common shares.

In a filing to the U.S. Securities and Exchange Commission the consortium said it holds 226,300 Reece common shares as an investment and intends to purchase additional shares. The holding includes 26,300 Reece shares purchased from March 29 to April 14 at prices ranging from $7.375 to $8.50 a share.

HIGHGATE OPTICAL

The offer by Exent Optical & Industrial Corp. of 23p cash for each Highgate Optical share is now unconditional in all respects but remains open until May 11 1983.

The sale of Bracecard, a subsidiary of Highgate, to Noticeward has been completed.

Exent Optical has received acceptances for 1.25m ordinary of Highgate (61.13 per cent). This comprised 61 per cent from former directors and certain shareholders who gave irrevocable undertakings to accept, and acceptances on account of 2,730 shares (0.13 per cent) from other holders, which will be placed.

CMT REPAYMENT

Central Manufacturing and Trading will repay its 8 per cent unsecured loan stock 1983-88, of which £224,053 in nominal amount is outstanding, at par, plus accrued interest to the date of repayment.

The repayment is being made to facilitate the proposed reorganisation and sale of certain CMT properties to E. Austin and Sons.

The repayment will be made three months from the date of despatch of the formal repayment notice, which will be as soon as possible.

Yearling bonds total £18m

YEARLING BONDS totalling £18m at 10¼ per cent, redeemable on May 4 1984, has been issued by the following local authorities:

Brent (London Borough of) £500,000; Medina Borough Council £250,000; St Helens Metropolitan Borough Council £500,000; Westminster (City of) £1m; Amber Valley District Council £750,000; Clevel and County Council £1m; Doncaster Metropolitan Borough Council £2m; Kettering Borough Council £500,000; Newham (London Borough of) £1.5m; Vale of Glamorgan Borough Council £250,000; Wigan (Metropolitan Borough of) £500,000; Central Regional Council £750,000; Nottingham (City of) £500,000; Sandwell (Metropolitan Borough of) £1.5m; Enfield (London Borough of) £1m; Slough Borough Council £500,000; Aberdeen (City of) District Council £1m; Cumnock and Doon Valley District Council £500,000; Dartford Borough Council £500,000; Newcastle upon Tyne (City of) £1m; Waltham Forest (London Borough of) £1m; Warwickshire County Council £1m.

The bonds for Bath (City of) District Council's £500,000 11¼ per cent, due April 23 1986 and Kettering Borough Council's £250,000 10½ per cent, due October 27 1984, have been admitted to the Official List.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1978=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1982							
2nd qtr.	101.0	88.9	89	[illegible]	145.1	2,743	107
3rd qtr.	101.6	88.3	84	[illegible]	150.7	2,837	111
4th qtr.	101.5	87.3	88	[illegible]	184.5	2,912	115
August	101.6	88.2	85	[illegible]	150.6	2,882	114
September	101.8	88.4	85	109.2	149.9	[illegible]	107
October	101.7	87.6	96	109.3	158.6	[illegible]	114
November	100.4	86.7	82	110.0	171.5	[illegible]	114
December	102.3	87.6	87	[illegible]	235.5	[illegible]	115
1983							
1st qtr.						[illegible]	124
January	102.5	89.7	84	110.1	184.7	[illegible]	122
February	103.6	88.6		111.1		[illegible]	124
March				112.0		[illegible]	126

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
1st qtr.	92.5	90.7	121.2	86.1	81.2	74.3	14.7
2nd qtr.	91.9	91.4	122.0	86.4	77.9	72.8	17.5
3rd qtr.	91.4	91.2	122.6	86.3	72.5	71.8	17.1
4th qtr.	92.3	89.2	122.3	85.2	69.3	71.7	15.0
August	91.0	91.0	122.0	86.0	72.0	70.0	15.7
September	92.0	91.0	123.0	86.0	73.0	74.0	19.0
October	93.0	89.0	123.0	85.0	72.0	73.0	15.5
November	91.0	90.0	120.0	85.0	68.0	68.0	17.3
December	93.0	89.0	124.0	85.0	69.0	74.0	12.3
1983							
January	94.0	90.0	123.0	85.0	75.0	71.0	15.3
February	93.0	91.0	127.0	85.0	[illegible]	70.0	19.3

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
1st qtr.	127.5	125.5	+235	+589	[illegible]	[illegible]	18.97
2nd qtr.	131.4	130.2	+123	+808	[illegible]	[illegible]	17.70
3rd qtr.	125.1	123.7	+609	+847	[illegible]	[illegible]	18.30
4th qtr.	131.4	124.0	+1,262	+1,709	[illegible]	[illegible]	16.55
August	118.3	121.1	+ 91	+171	[illegible]	[illegible]	18.11
September	130.7	126.1	+325	+404	[illegible]	99.7	18.30
October	126.8	125.8	+215	+364	[illegible]	96.8	18.50
November	132.4	122.5	+539	+688	[illegible]	99.4	18.00
December	135.0	123.8	+508	+657	[illegible]	99.7	17.00
1983							
January	121.0	134.3	−491	−311	[illegible]	98.8	16.65
February	131.0	135.2	−138	+ [illegible]	[illegible]	99.1	16.58
March							17.34

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1982							
1st qtr.				+3,194	967	2,157	
2nd qtr.	2.1	8.2	26.2	+4,535	1,344	2,210	
3rd qtr.	15.2	12.8	28.3	+4,329	1,796	2,396	
4th qtr.	19.0	13.3	28.9	+5,032	2,139	2,536	
August	17.5	12.3	26.6	+2,029	437	853	
September	14.2	14.0	28.8	+1,430	668	849	
October	24.0	18.2	32.4	+2,514	896	808	
November	17.4	12.3	25.4	+1,121	763	874	
December	15.9	9.8	23.2	+1,073	490	874	
1983							
1st qtr.	8.8	5.8	10.6	+3,119	1,127		
January	7.8	4.3	6.7	+909	391	872	
February	9.9	5.2	13.0	+873	386	812	
March	9.1	6.9	11.8	+1,337	350		

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
2nd qtr.	222.7	240.0	238.2	321.5	294.1	232.46	90.3
3rd qtr.	227.8	244.9	242.0	323.8	297.0	228.88	91.4
4th qtr.	231.3	251.7	246.3	325.4	298.5	238.84	89.2
August	226.9	244.1	241.7	323.1	295.5	229.60	91.4
September	226.2	245.6	243.2	322.9	295.9	228.56	91.7
October	228.0	246.1	245.1	324.5	296.5	227.18	92.5
November	232.2	252.6	246.8	326.1	298.3	228.03	89.5
December	233.8	255.6	248.8	325.5	300.1	238.84	85.6
1983							
1st qtr.		258.4	251.3	327.9		277.29	80.6
January	232.4	261.1	250.1	325.9	301.8	255.45	81.9
February	237.0	257.0	251.2	327.3	302.1	256.25	80.7
March	227.9	257.1	252.6	327.9		277.29	79.1

* Not seasonally adjusted.

MINING NEWS

De Beers more optimistic on diamond market

BY KENNETH MARSTON, MINING EDITOR

THE diamond market and the fortunes of De Beers are at last pulling out of recession. "I am now able to report much more optimistically about future prospects than at the time of my last annual statement," says Mr Harry Oppenheimer in the De Beers annual report.

Although the market for the larger and better quality gem diamonds remains depressed a good demand for the smaller and cheaper popular diamonds—where a shortage of rough (uncut) gems has appeared—is now beginning to spread into higher categories. The market for industrial diamonds is also picking up.

Retail sales of diamond jewellery at Christmas exceeded expectations and "the mood in the retail market is more optimistic than it has been for some time," says Mr Oppenheimer, commenting on the restoration of confidence in the market generally.

He adds, however, that "while a rapid return to prosperous conditions is not to be expected it can, I think, be said that short of a further setback in the world economy a solid base has been established from which a gradual improvement in sales and profits can reasonably be hoped for."

Over the past three years De Beers has survived one of the most difficult periods in its history during which the market for diamonds has gone from unhealthy boom to virtual slump while the group's Central Selling Organisation has come uncomfortably near to losing its grip *on the market.*

On the latter score, eyebrows were raised when Zaire decided in May 1981 to sell its diamonds on the open market after having sold them through the CSO for the previous 14 years. However, Zaire returned to the CSO fold *in March this year.*

Mr Oppenheimer comments, with some satisfaction, that the Zaire Government "judged it to be in its best interest to renew its old-established relationship with us," *adding that De Beers* has undertaken to review, with Zaire's Miba mine and the Government, measures to restore the mine's reduced production "to a level which would better reflect the real potential value of the deposit."

The majority of the Miba diamonds are of industrial and cheaper gem quality, similar to those of the big A$550m (£306m) Western Australian Argyle operation, the bulk of which will also be marketed by the CSO "to the benefit of the two producers and the diamond industry as a whole," says Mr Oppenheimer.

Argyle, in which the Rio Tinto-Zinc group's CRA is the major shareholder, has just made its first commercial sale of some 200,000 carats in Perth. No prices have been disclosed, but it is assumed that the average would have been in the region of about US$11 per carat.

Meanwhile, De Beers has completed its own expansion programme to an annual production capacity of 19m carats following the completion of the Jwaneng mine in Botswana. Because of the still reduced demand for diamonds operations are running at below capacity and last year group production amounted to 17.4m carats.

The market supporting operations of the CSO has left De Beers with a legacy of accumulated stocks of rough diamonds worth R1.83bn (£1.07bn) at end-1982 which compares with total sales handled by the CSO and other world producers in that year of R1.26bn.

After seeing net profits fall by 30 per cent to R442.5m in 1982 De Beers is heading for a better year. But full recovery is going to take longer, as is any significant reduction in the big stockpile, and with the need to rebuild finances the group is likely to follow a conservative dividend policy.

Little, if any, restoration seems likely this year in the dividend which fell to 37.5 cents in 1982 compared with its record 75 cents in 1980, and the shares at 550p to yield a modest 4 per cent seem fully priced for the time being. But whether this will deter the buyers, who have been coming forward since the 1982 results were announced in mid-March, remains to be seen.

Thomson T-Line cuts losses

CARAVAN SUPPLIER and timber merchant Thomson T-Line Caravans cut its taxable losses from £513,813 to £299,889 for 1982 after much lower second half losses of £58,260, compared with £264,945. Turnover for the year fell back from £2.51m to £1.92m.

With stated losses per share (before extraordinary items) of 16.73p (29.65p) the dividend payment is again being passed

There was a tax credit of £29,224 (£34,009) and after extraordinary credits of £284,253 (debits £286,000)—for gains on the disposal of fixed assets less losses on the realisation of stocks—attributable profits emerged at £13,588 (losses £765,804).

The directors point out that the published accounts for 1982 will contain a qualified audit report. The 1981 accounts were qualified on a going concern basis.

Bindura faces loss in 1983

ZIMBABWE'S Bindura Nickel Corporation, which following the closure of the Empress nickel mine last year is that country's sole nickel group, is forecasting a further loss in 1983, reports *Tony Hawkins from Harare.*

In the company's annual report, Mr Gerry Smith, the chairman, says that although the group has benefited from Zimbabwe's 20 per cent devaluation in December and the recent recovery in nickel prices, a further loss is expected this year, probably no less than last year's loss of Z$6.3m (£4.2m).

Last year a small operating profit of Z$832,000 was translated into a loss by interest charges totalling more than Z$7m.

At the end of 1982 Bindura was carrying stocks of refined nickel—in excess of normal supplies to customers—to the value of Z$22m.

CRA one-for-eight rights to raise £114m.

THE Rio Tinto-Zinc group's Australian arm, CRA, is making a renounceable rights issue to raise approximately A$206.5m (£114m). Some 54.4m new ordinary shares are to be offered to holders registered on May 18 on the basis of one new share at A$3.80 (equal to about 210p at current exchange rates) for every eight shares held.

In addition, they may also *subscribe to a non-renounceable* offer of one-for-20 on the basis of the same price plus 45 cents, or A$4.25 (235p) in all. Both offers are being underwritten by by Melbourne brokers, Potter Partners.

In London yesterday, the existing shares fell 16p to 269p.

Payment for the renounceable offer is to be made in two instalments, each of A$1.90, the first is due on June 23 and the second on December 1.

In the case of the non-*renounceable offer a payment of* A$2.35 will be due by June 23 and the balance of A$1.90 must be paid by December 1.

The non-renounceable offer comes about as a result of RTZ's *decision to take up some 20m* new CRA shares and offer rights to the remaining entitlement of 9.8m shares at 45 cents per "right" to other shareholders in CRA.

This decision with a sale—now completed—by RTZ of 10m existing shares in CRA (at A$4.65 per share) has been made in order to eventually raise the public stake in CRA to 51 per cent under the naturalising *agreement entered into with the* Australian Government.

These moves will reduce the RTZ shareholding in CRA from its present 57.2 per cent to 52.9 per cent and lift the public shareholding from 42.8 per cent to 47.1 per cent.

The new shares will not in order eventually to raise the qualify for the first and final 1982 dividend of 3 cents declared by CRA in February nor for any interim dividend declared for this year.

They will qualify for the 1983 final dividend and CRA expects *that its payment for this year will be not less than the 3 cents* paid for 1982.

Since the last issue was made in November 1980 CRA has funded major new developments from internal sources and borrowings. These include increasing the stake in Comalco to 67 per cent from 45 per cent at a cost of A$185m together with development of the big Tarong and Blair Athol coal projects.

The new shares will be quoted in partly-paid form from June 24 and will become fully paid after December 1, ranking equally with those already in issue. Dealings in the rights are *expected to start on May 12.*

Public Works Loan Board rates

Effective April 27

Years	Quote loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
Up to 3	10¾	10⅞	10⅞	11¾	11⅞	12
Over 3, up to 4	10⅞	10⅞	11⅛	11⅞	11⅞	12
Over 4, up to 5	10⅞	10⅞	11¼	11⅞	11⅞	12
Over 5, up to 6	11	11	11¼	11¾	11⅞	11⅞
Over 6, up to 7	11	11⅛	11½	11¾	11⅞	11⅞
Over 7, up to 8	11⅛	11¼	11⅜	11¾	11⅞	11⅞
Over 8, up to 9	11¼	11¼	11⅜	11¾	11⅞	11⅞
Over 9, up to 10	11¼	11¼	11½	11¾	11⅞	11¾
Over 10, up to 15	11½	11½	11	12	11¾	11⅝
Over 15, up to 25	11½	10⅞	10¾	11⅝	11⅝	11¼
Over 25	10¾	10⅝	10⅝	11½	11½	11¼

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

RESULTS AND ACCOUNTS IN BRIEF

TR AUSTRALIA INVESTMENT TRUST—Interim dividend 1.6p (same) net per share. Total income for half year to February 28 1983 was £670,228 (£559,123); expenses £105,789 (£175,761); pre-tax profit £564,439 (£383,362); tax £245,410 (£122,618); earnings per 25p share 2.21p (1.8p); net asset value per share 162p (133.8p) after deducting prior charges at par.

ENERGY CAPITAL (oil and gas exploration and production, uranium mine development)—Results for six months to June 30 1982—turnover £52,000 (£55,000); pre-tax loss £83,600 (£137,000); tax nil (same) and extraordinary debit nil (£214,000).

METAL CLOSURES GROUP (manufacture of metal and plastic products, construction of equipment for the packaging industry)—Results for 1982 reported on March 25 1983. Shareholders' funds £33m (£30.79m); fixed assets £24.9m (£23.01m); net current assets £14.9m (£13.88m); increase in quid funds £1.33m (decrease £2.12m). Meeting: West Bromwich, May 13 at noon.

UNIDARE (maker of electrical cables and transformers)—Results for 1982 reported April 8 1983. Net current assets I£1.54m (I£0.82m). Fixed assets I£13.31m (I£13.52m). Shareholders' funds I£19.39m (I£20.42m). Meeting: Dublin, May 9, noon.

FISONS (agricultural chemicals, pharmaceuticals)—Results for 1982 already known. Shareholders' funds £136.4m (£130.86m); loan capital £34.44m (£33.76m); loans £37.58m (£44.57m); fixed assets £76.55m (£59.97m); net current assets £83.05m (£41.96m); decrease in net borrowings £6.96m (£948,000 increase). Meeting: Centre Point, WC, May 17, 11 am.

BROWN BOVERI KENT (HOLDINGS) (maker of industrial instruments and metering devices)—Results for 1982 reported April 15, 1983 with prospects. Group shareholders' funds £30.62m (£28.05m): bank borrowings £18.09m (£20.77m): current liabilities £34.07m (£23.43m): fixed assets £17.32m (£16.63m): inventories £30.23m (£27.08m): receivables £30.74m (£28.21m): bank balances £2.38m (£8.32m). Meeting, London Press Centre, EC, June 9, noon.

ASH AND LACY (perforated metal and steel cladding maker and galvaniser)—Results for 1982 reported April 15. Group shareholders' funds £14.58m (£13.15m). Fixed assets £7.9m (£6.42m). Net current assets £7.74m (£8.04m). Meeting: Birmingham, May 19, noon.

JOHNSON GROUP CLEANERS—Results for 1982 reported April 6. Group *fixed assets £25.2m (£21.23m). Current* assets £13.54m (£12.73m). Current liabilities £13.03m (£10.73m). Shareholders' funds £25.31m (£22.79m). Decrease in working capital £538,000 (£1.02m increase). Meeting, Liverpool, May 19 at 2 pm.

PITTARD GROUP (leather goods)—Results for 1982 and prospects already known. Group shareholders' funds £7.9m (£8.59m). Fixed assets £3.29m (£3.38m). Net current assets £5.68m (£6.65m), including bank overdrafts £979,565 (£99,780) and promissory notes and bills payable £553,995 (£53,904). Meeting, Yeovil, May 4, noon.

NU-SWIFT INDUSTRIES ... (fire extinguishers)—Results for 1982 reported April 2. Shareholders' funds £3.49m (£3.87m). Net current assets £1.37m (£1.44m). Fixed assets £2.12m (£2.21m). Meeting, Leeds, May 19, noon.

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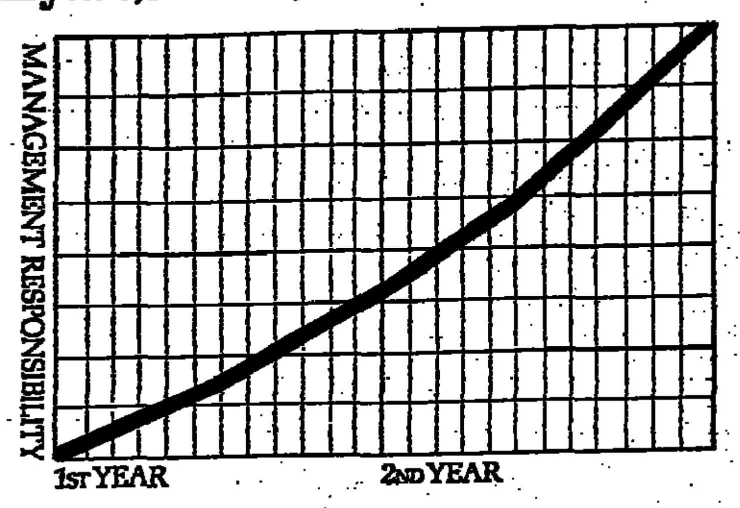

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European Operations Manager

BUSINESS DEVELOPMENT

Multi-Arc (Europe) Ltd., a subsidiary of Multi-Arc Vacuum Systems Inc., St. Paul, U.S.A. who are one of the world leaders in coating technology, has *established European headquarters in the U.K.*

To further the expansion of the Company an entrepreneurial manager with a professional background is now required. The major responsibilities of this position are to identify ways and develop opportunities for the successful introduction of the Company in mainland Europe. This will involve building on existing connections, identifying, evaluating and developing competitive marketing opportunities, *being aware of sources of* finance, national characteristics and legal implications of specific situations as they relate to particular countries in Europe.

It is envisaged that the position will be filled by a person who can work on his/her own initiative, will have management skills and demonstrate a record of success through the application of business flair.

Fluency in German and English is a pre-requisite and knowledge of other European languages will be an advantage. A basic discipline in science, engineering or metallurgy will also be beneficial.

Commencing salary and benefit package will be commensurate with both the position and the importance attached to obtaining the services of the right person to fill this most important role.

Advancement will come through the growth of the Company in Europe.

For further details of the position please write with career details to date in confidence to: *Brian Aisbitt, Managing Director.*

MULTI-ARC (EUROPE) LTD

Number One Industrial Estate, Medomsley Road
Consett, Co. *Durham DH8 6SX, England.*

International Banking Consultants
Jonathan Wren International Ltd 01-623 1266
170 Bishopsgate, London, EC2M 4LX

EUROCURRENCY DEPOSIT DEALER
BAHRAIN
Salary negotiable tax free

Our client, one of the premier Arab banking institutions in the world, seeks a young, highly motivated money market trader.

Candidates should possess a minimum of 4 years experience of money market trading, preferably gained within an active dealing room in the City, and have the capability to handle foreign exchange at a later date.

The remuneration package is negotiable and will include a tax free salary plus bonus, free furnished accommodation and car allowance.

Please send a detailed curriculum vitae to Roy Webb, Managing Director.

International Banking Consultants
Jonathan Wren International Ltd 01-623 1266
170 Bishopsgate, London, EC2M 4LX

EUROSECURITIES TRADER
KUWAIT
Salary negotiable tax free

Our client, a well-established and highly respected international bank currently undergoing considerable expansion, seeks a young, highly motivated securities trader to head its trading desk.

Candidates should possess a minimum of 3 years experience of all types of fixed income eurosecurities with particular emphasis on the floating rate sector.

The remuneration package is negotiable and will include a tax free salary plus bonus, accommodation allowance and interest free loan facilities.

Please send a detailed curriculum vitae to Roy Webb, Managing Director.

INTERNATIONAL APPOINTMENTS APPEAR EVERY THURSDAY

Rate £31.50 Per Single Column Centimetre

KUWAIT ASIA BANK E.C.

MANAGER – REGIONAL MARKETING

Kuwait Asia Bank E.C., established in Bahrain in 1981 and op*erating under an Offshore Banking* Unit Licence, is seeking an experienced banker with extensive knowledge of the Middle East area, to set up and run a marketing team covering the entire Middle East area. He will report directly to Assistant General Manager – Credit Administration and *Marketing*, and will be responsible for managing existing relationships and developing new business and products, as well as arranging syndications for the Bank's corporate customers relating to their Middle East business.

The Bank, which is currently represented in Bahrain, Singapore and Auckland, recently increased its Paid-up Capital to US$ 100 million, and is actively engaged in expanding its business in the Middle East and Asia Pacific areas. Its shareholders are among the largest financial institutions in Kuwait and Bahrain, and provide the Bank with broad support in expertise, resources and an *ability to assume* an important role in international financial markets.

Applications should be addressed in writing to:
Assistant General Manager –
Credit Administration and Marketing
Kuwait Asia Bank E.C.
P. O. Box 20501
Manama, State of Bahrain

aaa

APPOINTMENTS WANTED

FRENCHMAN

highly experienced in international management and currently responsible for maintenance and general day-to-day running of extensive princely property in North Africa, seeks similar position somewhere in France.

Write Box A8164, Financial Times 10 Cannon Street, London EC4P 4BY

WE ARE LOOKING for a Capable International Marketing Consultant to aid and assist us in marketing a new sophisticated electronic game and diskettes for computers for markets outside USA and Canada. Contact: 516-536 7101. USA Tlx 649126.

EMPLOYMENT CONDITIONS ABROAD LIMITED

An International Association of Employers providing confidential information to its member organisations, not individuals, relating to employment of expatriates and nationals worldwide.

01-637 7604

YOUNG FRENCH GIRL, 20 years old, serious, seeks an employment in a family to look after child and household duties in order to improve her English. South of London area, as of August 83. Write Annick Sachot, Le Gros Noyer, 85200 FONTENAY-LE-COMTE, France.

BACHE HALSEY STUART (MONACO) INC.

SEEKS ACCOUNT EXECUTIVES

with established clientele. Direct lines to London and U.S.A. Numerous financial advantages. Pleasant offices in ideal Mediterranean location.

Contact:
T. Van Essche, Manager,
BACHE HALSEY STUART,
Sporting d'Hiver,
Monte Carlo (Monaco)
Telephone: (93) 50 71 71

General Manager

New Zealand Railways Corporation

Our client is a statutory corporation operating a national rail and road passenger and freight network, with annual revenue of over $500 million and approximately 20,000 employees.

The General Manager is responsible to the Board of Directors for the safe, efficient and profitable operation of the Corporation, its management and the supervision *of its employees. The position* is based at Head Office in Wellington.

This requires a successful record at senior management level (preferably reporting to a Board) in a large profit-oriented organisation. Proven decision-making ability and previous experience in spearheading performance improvement are also necessary. A knowledge of the transport industry would be advantageous.

This is one of the most challenging positions in New Zealand and carries appropriate rewards and benefits.

All enquiries and applications will be treated in strictest confidence and should be directed to W J Harvey at P.O. Box 5341, Auckland, New Zealand. Phone (09) 30-669.

WDScott
International Management Consultants

SC7 O&M

Financial Controller

SAUDI ARABIA

Our Client, a major Civil Engineering company require an experienced Chartered Accountant to take total control of all *Financial matters at their Head Office in Riyadh.*

Applicants must have a thorough working knowledge of computerised accounting systems and currently be employed in a similar position with a multiproject type company.

The successful candidate will be required to visit other locations throughout the Kingdom. Therefore applicants ideally should have an understanding of both written and spoken Arabic *although this is not essential.*

The initial two-year contract, either bachelor or accompanied status carries a negotiable tax-free salary and a range of other benefits including free return flights to the UK and medical care. *Interested applicants should initially send a comprehensive cv with full details of their career to date to:*

H.B. SERVICES LTD.,
Adams House, Dickerage Lane,
New Malden, Surrey, KT3 8RZ.

COMPANY NOTICES

U.S.$175,000,000
of which U.S.$5,000,000 has been *issued as a Subsequent Tranche*

OESTERREICHISCHE KONTROLLBANK AKTIENGESELLSCHAFT

10% Guaranteed Notes Due 1991
Guaranteed by
THE REPUBLIC OF AUSTRIA
The following has agreed to subscribe for a Subsequent Tranche of the above Notes:
ORION ROYAL BANK LIMITED

Arrangements have been completed for the issue by Oesterreichische Kontrollbank Aktiengesellschaft of U.S.$5,000,000 aggregate principal amount of Guaranteed Notes Due 1991 of U.S.$5,000, each as a Subsequent Tranche of its U.S.$175,000,000 Guaranteed Notes Due 1991. Notes of this Subsequent Tranche contain the same terms and conditions as, and rank in all respects pari passu with, the Notes of the *Initial Tranche of U.S.$100,000,000* issued on 18th April, 1983. Particulars of the Notes are available in the Extel Statistical Service. This Subsequent Tranche has been admitted to the Official List by the Council of The Stock Exchange.

28th April, 1983.

O.K. BAZAARS (1929) LIMITED
(Incorporated in the Republic of South Africa)

NOTICE TO 6% SECOND CUMULATIVE PREFERENCE SHAREHOLDERS
DIVIDEND No. 89

NOTICE IS HEREBY GIVEN that the half-yearly dividend of 3% has this day been declared payable on the 31 May 1983, in the currency of the Republic of South Africa, to all holders of 6% Second Cumulative Preference Shares registered in the books of the Company at the close of business on 13 May 1983.

The *usual non-resident shareholders'* tax of 15% will be deducted where applicable.

The Register of Members will be closed in Johannesburg and London from 14 to 22 May 1983, both days inclusive, for the purpose of the above dividend.

By Order of the Board
J. B. PARNALL, Secretary

Registered Office:
O.K. Building,
80 Eloff Street,
Johannesburg, 2001.
London Registrars:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London, SW1P 1PL.
26 April, 1983.

I.I.I. INTERNATIONAL INSURANCE INVESTORS N.V.

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 20, 1983

To the Shareholders of I.I.I. International Insurance Investors N.V.

NOTICE IS HEREBY GIVEN that Annual General Meeting of Shareholders of *I.I.I. International Insurance Investors* N.V. will be held at the Cupecoy Hotel in St. Maarten, Netherlands Antilles on May 20, 1983 at 10.00 a.m. Netherlands Antilles time for considering the following agenda:

(1) Consideration *of the Report of the* Managing Board.
(2) Consideration and approval of the profit and loss account for the financial period from January 1, 1982 to December 31, 1982 and balance sheet as at December 31, 1982.
(3) *To approve the payment of a final* dividend in respect of the year ended December 31, 1982 of $30 per share payable on June 3, 1983.
(4) The election or re-election of four Class B Managing Directors.
(5) To accept the resignation of SRS Management Antilles N.V. as a Class C Managing Director and to elect Curacao Corporation Company N.V. as Managing Director in its stead.
(6) The appointment of an independent chartered accountant for the audit of *the financial statements for the year* ending December 31, 1983.
(7) To amend Article 8(2) of the Articles of Incorporation to comply with the provisions of Article 8(1).
(8) The transaction of such other business as may properly come before the meeting.

Holders of bearer shares, in order to exercise their rights at the meeting must establish their ownership of such shares in a manner satisfactory to the Chairman of the meeting. Nevertheless, they may establish such ownership *by depositing* such shares (or a Certificate of Deposit of such shares satisfactory to the Managing Board) at the offices of J. Henry Schroder Wagg & Co. Limited, 120 Cheapside, London EC2V 6DS, England, against written receipt, not later than five days prior to the date of the meeting and *by producing* this receipt at the meeting. Shareholders may be represented at the meeting by written proxy empowered in a letter.

GORDON WERNER
Chairman of the Board of Managing Directors

O.K. BAZAARS (1929) LIMITED
(Incorporated in the Republic of South Africa)

DECLARATION OF DIVIDEND

NOTICE IS HEREBY GIVEN that final dividend No. 103 at the rate of 98 cents per share, in respect of the financial year which commenced on 1 April 1982, has this day been declared payable on 1 July 1983, *in the currency of the Republic* of South Africa to all holders of Ordinary shares registered in the books of the Company at the close of business on 20 May 1983. Non-resident shareholders' tax of 15% will be deducted where applicable.

The Register of Members will be closed in Johannesburg and London from 21 May 1983 to 28 May 1983, both days inclusive, for the purpose of the above dividend.

By Order of the Board
J. B. PARNALL, Secretary

Registered Office:
O.K. Building,
80 Eloff Street,
Johannesburg, 2001.
London Registrars:
Hill Samuel Registrars Limited,
6 Greencoat Place,
London, SW1P 1PL.
26 April, 1983.

LEGAL NOTICES

NOTICE
MERITAL
(TRADE MARK)

A petition for the extension of term of *British Patent* No. 1,164,192, which relates to the important drug *nomifensine* hydrogen maleate marketed under the above Trade Mark was presented to the High Court, Chancery Division, London, on 3rd November, 1982, and a decision is expected in the near future.

HOECHST AG, FRANKFURT (M) FEDERAL REPUBLIC OF GERMANY

No. 62 of 1983

In the HIGH COURT OF JUSTICE (Chancery Division) Birmingham District Registry. *In the Matter of* SHAUN WILSON (SALES) LIMITED and in the Matter of The Companies Act 1948.

A Petition to wind-up the above-named Company *presented* on 13th April 1983 by Brocks Fireworks Limited whose registered office is situate at Castleacre Road, Swaffam in the County of Norfolk claiming to be a Creditor *of the Company will be heard* at the Court House, 4 Newton Street/Corporation Street, Birmingham on Monday, 27th June 1983 at 10.30 a.m.

Any Creditor or Contributory wishing to *oppose or support* must *ensure* that written notice reaches the undersigned by 4.00 p.m. on Friday, 24th June 1983.

A copy of the Petition will be supplied by the *undersigned* on payment of the prescribed charge.

COVE AND COMPANY,
14 Bennetts Hill,
Birmingham B2 5RS.
Solicitors for the Petitioners.

ANNOUNCEMENT

Lew Nucian Named President of Norman Levy Assoc.

Norman Levy Associates Inc., Southfield, MI, an international industrial auction and appraising firm, announced the following executive management positions at its recent annual meeting: MR LEW NUCIAN, president; MR RICHARD BRODIE, executive vice-president; MR RICHARD NUCIAN, vice-president; MR ROBERT LEVY, vice-president in charge of European and international operations. Mr Norman Levy will continue as chairman of the board.

CLUBS

EVE has outlived the others because of a policy of fair play and value for money. Supper from 10-3.30 am. Disco and top musicians, glamorous hostesses, exciting floorshows. 189, Regent St. 01-734 0557.

HANOVERIAN NIGHTCLUB and Res., 9, Hanover Street, W1. Where today's businessman can enjoy an exciting and relaxing evening. Charming and discreet dancing partners available nightly 9 pm-3 am. Recommended to ring for res. on 01-408 0269.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

FT UNIT TRUST INFORMATION SERVICE

Authorised Units—continued

Insurances—continued

Offshore and Overseas—continued

NORTH AMERICAN QUARTERLY RESULTS

PRENTICE-HALL

First quarter	1983 $	1982 $
Revenue	89.7m	84.2m
Net profits	2.07m	2.04m
Net per share	0.21	0.21

ROYAL TRUSTCO

First quarter	1983 C$	1982 C$
Revenue	340m	338m
Net profits	14.8m	6m
Net per share	0.66	0.23

SOUTHWEST AIRLINES

First quarter	1983 $	1982 $
Revenue	94.8m	88.8m
Net profits	5.11m	3.49m
Net per share	0.23	0.17

TAMPAX

First quarter	1983 $	1982 $
Revenue	77.7m	69.3m
Net profits	11.9m	10.1m
Net per share	1.06	0.89

REVLON

First quarter	1983 $	1982 $
Revenue	552.9m	557m
Net profits	23.7m	28m
Net per share	0.48	0.63

SANTA FE INDUSTRIES

First quarter	1983 $	1982 $
Revenue	757.8m	780.9m
Net profits	32.9m	30.2m
Net per share	0.38	0.34

SQUIBB

First quarter	1983 $	1982 $
Revenue	404.2m	374.2m
Net profits	33.3m	31.4m
Net per share	0.64	0.62

WENDY'S INTERNATIONAL

First quarter	1983 $	1982 $
Revenue	153.5m	137.6m
Net profits	10.1m	8.1m
Net per share	0.25	0.21

European Options appear today on Page 32

LONDON TRADED OPTIONS

Option	Calls July	Calls Oct.	Calls Jan.	Puts July	Puts Oct.	Puts Jan.
Brit. Petroleum (*394)						
300	106	112	—	2	4	—
330	76	82	—	5	8	—
360	50	60	68	10	14	18
390	30	40	50	18	26	30
Cons. Goldfields (*544)						
390	167	—	—	2	—	—
420	137	—	—	3	—	—
460	97	112	—	5	10	—
500	65	77	85	14	25	32
550	33	47	62	30	44	54
600	12	27	—	65	—	—
Courtaulds (*92)						
70	27	28	—	1½	2	—
80	17	19	21	2½	5	4
90	9	10	14	5	7	9
100	4½	7	9	12	14	16
Commercial Union (*152)						
120	35	39	—	1½	2	—
130	27	30	—	3	3	—
140	19	24	28	5	6	8
160	7	15	16	14	15	17
G.E.C. (*238)						
180	74	80	—	2	3	—
200	54	60	—	3	7	—
220	36	42	50	7	14	18
240	22	31	38	17	24	26
260	13	—	—	26	—	—
Grand Met. (*352)						
280	79	—	—	2	—	—
300	59	64	—	4	5	—
330	34	43	48	8	12	14
360	17	25	31	17	22	25
390	5	11	—	40	43	—
I.C.I. (*478)						
300	188	—	—	—	—	—
330	158	—	—	2	—	—
360	128	132	—	2	3	—
390	98	102	—	3	6	—
420	70	78	88	6	12	16
460	39	52	62	18	24	28
Land Securities (*329)						
260	73	78	—	2	—	—
280	52	58	—	3	6	—
300	35	42	48	7	11	14
330	16	25	31	16	21	24
Marks & Spencer (*218)						
180	44	50	—	3	4	—
200	29	35	41	7	10	12
220	16	22	30	14	17	22
240	6	—	—	26	—	—
Shell Transport (*500)						
390	122	130	—	2	3	—
420	92	102	—	3	5	—
460	54	64	72	7	12	18
500	30	40	50	22	28	32
550	14	22	—	54	62	—
Barclays Bank (*491)						
360	135	145	—	1	2	—
390	105	115	—	2	2	—
420	75	85	105	2	5	9
460	35	51	70	5	17	25
500	10	27	42	20	30	40

Option	Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Imperial Group (*112)						
90	23	—	—	1	—	—
100	14	—	—	1½	—	—
110	7	13	15	4	6	6½
120	2½	8	9	9	11	13
130	1	3½	5	19	20	21
LASMO (*330)						
210	125	135	140	1	3	5
230	105	115	120	1	4	4
250	85	95	107	2	6	10
270	65	75	90	4	8	15
290	45	62	—	7	12	—
300	—	—	63	—	—	20
320	20	46	—	13	23	—
330	—	—	53	—	—	30
350	7	—	—	—	—	—
Lonrho (*94)						
80	16	18	19	1	2	3½
90	7½	10½	12½	2	5	7
100	2	6	7	8	11	13
P. & O. (*155)						
100	56	56	—	0¼	1	—
110	46	46	—	0½	2	—
120	36	36	39	1	2	4
130	26	26	29	1½	3	6
140	17	18	23	3	7	13
160	5	11	18	13	22	26
Racal (*492)						
420	80	92	103	2	5	12
460	40	57	70	6	15	30
500	15	34	49	20	30	42
550	3	15	—	60	64	—
600	1	7	—	110	110	—
650	1	—	—	160	—	—
R.T.Z. (*584)						
390	200	—	—	0½	2	—
420	170	175	—	0½	—	—
460	130	135	—	0½	4	—
500	90	97	115	2	8	17
550	42	62	77	7	22	32
600	14	35	48	30	44	54
Vaal Reefs (*£116)						
80	2	—	—	1	—	—
90	26½	31	32½	1	2	4
100	16½	22	25	1¼	4	7½
110	9	17	21½	3½	7½	11½
120	3½	12	18½	7	12½	15½
130	1¼	8	11	15½	—	21
140	1¼	4½	8	—	—	—

Option	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
Beecham (*415)						
360	62	70	82	4	8	8
390	40	57	62	10	17	22
420	21	40	48	23	30	35
Guest Keen (*168)						
140	32	35	41	2	5	8
160	15	22	27	7	10	14
180	5	12	15	19	22	25

Apr. 27 Total Contracts 2,488 Calls 1,949 Puts 539

* Underlying security price.

VONTOBEL EUROBONDINDIZES

WEIGHTED AVERAGE YIELDS
PER APRIL 26 1983

	INDEX Today	Last week	% Year's High	Year's Low
US$ Eurobonds	11.56	11.51	12.22	11.51
DM (Foreign Bond Issues)	7.37	7.27	7.79	7.23
HFL (Bearer Notes)	7.91	7.81	8.07	7.43
Can$ Eurobonds	12.81	12.88	13.55	12.81

J. Vontobel & Co. Bankers, Zurich - Tel: 010 411 488 7111

INSURANCE & OVERSEAS MANAGED FUNDS

Barclays Life Assur. Co. Ltd.—cont.

Income Accum.	109.0	114.8	+1.0	—
Do. Initial	107.5	113.2	+1.0	—
Man. Pens. Accum.	234.1	246.5	.....	—
Do. Initial	196.6	207.0	.....	—
Gilt-Edg.Pens. Accum.	202.8	213.5	.....	—
Do. Initial	164.2	172.9	.....	—
Money Pens. Accum.	178.5	187.9	.....	—
Do. Initial	146.5	154.3	.....	—

Black Horse Life Ass. Co. Ltd.
71, Lombard St., EC3. 01-623 1288

Black Horse Man. Fd.	218.25		.....	—
Managed Inv. Fd.	150.77	158.71	.....	—
Property Fd.	146.34	154.05	.....	—
Fixed Interest Fd.	138.15	145.43	.....	—
Cash Fd.	132.97	139.34	.....	—
Income Fd.	153.14	161.20	.....	—
Extra Income Fd	146.93	154.67	.....	—
Worldwide Growth Fd.	214.85	226.14	.....	—
Balanced Fd.	134.45	148.06	.....	—
Smlr Co's & Recs. Fd	192.15	202.27	.....	—
Int. Technology Fd	239.16	251.75	.....	—
Nth. Amer. & Gen. Fd.	160.34	168.78	.....	—
Energy Int. Fd.	91.12	95.92	.....	—
Pacific Basin Fund	123.92	130.45	.....	—

British National Life Assurance Co. Ltd.
Harlands Rd, Haywards Heath. 0444 414111

Equity	97.4	102.5	.....	—
International	113.9	119.9	.....	—
Property	106.4	112.0	.....	—
Deposit	96.7	101.8	.....	—
Fixed Interest	96.0	101.1	.....	—
Managed	103.8	109.3	.....	—
Equity Pens Cap.	96.9	102.0	.....	—
Intnl. Pens. Cap.	118.0	124.2	.....	—
Property Pens Cap	108.4	114.1	.....	—
Deposit Pens Cap	96.0	101.0	.....	—
Fixed Int Pens Cap	95.1	100.1	.....	—
Managed Pens Cap.	105.5	111.0	.....	—

Canada Life Group
2-6, High St., Potters Bar, Herts. P. Bar 51122

Equity Gth March 3	85.2		.....	—
Rtmt. Fed. April 6	234.2		.....	—
Managed Pen Fund	177.2	186.5	.....	—
Property Pen Fund	110.1	115.9	.....	—
Index Lnkd Pen Fund	120.6	127.0	.....	—
Managed	115.7	121.8	+0.9	—
Property	99.8	105.1	.....	—
Gilt and Fixed Interest	100.7	106.0	.....	—
Index-Linked	103.4	108.9	+0.1	—
Equity	115.8	121.9	+0.7	—
Cash	99.9	105.2	.....	—
Midland Bk. Unit Tst.	111.4	117.3	.....	—
Midland Bank Intnl.	129.9	136.8	.....	—

Cannon Assurance Ltd.
1 Olympic Way, Wembley HA9 0NB. 01-902 8876

Equity Units	£35.56	—	+0.12	—
Property Units	£16.85	—	.....	—
Equity Bond/Exec	£23.22	24.57	+0.07	—
Prop. Bond/Exec.	£22.03	23.31	.....	—
Bal. Bd./Exec/Unit	£22.72	24.04	+0.05	—
2nd Equity Acc.	181.6	192.2	+0.6	—
2nd High Inc/Acc	132.1	139.8	+0.3	—
2nd Property Acc	168.8	178.6	+0.1	—
2nd Managed Acc.	164.9	174.5	+0.4	—
2nd Deposit Acc.	140.5	148.7	.....	—
2nd Gilt Acc.	139.0	147.1	+0.4	—
2nd American Acc.	188.4	199.4	+1.5	—
2nd Intl Money Acc.	137.2	145.2	−0.3	—
2nd Indx Acc.	99.1	104.9	.....	—
2nd Eq. Pens./Acc.	247.6	262.0	+1.0	—
2nd Hi Inc Pens/Acc.	137.0	145.0	+0.3	—
2nd Prp. Pens/Acc	209.3	221.5	+0.1	—
2nd Mgd. Pens/Acc.	206.3	218.3	+0.5	—
2nd Dep. Pens/Acc.	180.6	191.1	.....	—
Gilt Pens/Acc.	177.1	187.4	+0.6	—
2nd Am. Pens/Acc.	246.6	261.0	+2.2	—
2nd Int Money Pens/Acc.	162.5	172.0	−0.4	—
2nd Index Pens./Acc.	103.4	109.4	.....	—

G.T. Management Ltd.
16 Finsbury Circus, Lond. EC2M 7DJ. 01-628 8131

G T. Plan Bond Fund.	120.1	126.8	+0.1	—
GT Pln High Yld Fnd.	112.3	118.3	−0.1	—
GT Plan Far East Fnd	97.3	102.5	.....	—
GT Pln N Am Fund	146.9	154.7	.....	—
GT Pln UK&G.E. Fnd	130.0	136.9	.....	—
GT Pln Wrldwde Fnd.	127.9	134.7	.....	—
GT Pension Bnd Fnd.	128.1	134.9	+0.2	—
GT Pen High Yld Fd	126.7	133.4	.....	—
GT Pen Far East Fd.	110.8	116.7	.....	—
GT Pen N. Am. Fd.	201.9	212.6	.....	—
GT Pen UK & G.E. Fd	147.9	155.7	.....	—
GT Pen Worldwide Fd.	136.0	143.2	.....	—

Assicurazioni GENERALI S.p.A.
117, Fenchurch St., EC3M 5DY. 01-488 0733

Intl. Managed Bond	161.30	169.79	.....	—

General Portfolio Life Ins. C. Ltd.
Crossbrook St., Cheshunt, Herts. Waltham X 31971

Portfolio Fd. Acc.	236.6		.....	—
Portfolio Fd. Init.	199.5		.....	—
Portfolio Fd. Cap.	228.1		.....	—
Investment A/cs	236.5	249.0	.....	—

Growth & Sec. Life Ass. Soc. Ltd.
48, London Fruit Exchange, E1 6EU 01-377 1122

Flexible Finance	1,413		.....	—
Landbank Secs.	62.7		.....	—
Landbank Secs. Acc.	172.4	176.8	.....	—
G. & S. Super Fd.	£20.639		.....	—

Guardian Royal Exchange
Royal Exchange, E.C.3. 01-283 7101
Guardian Assurance

Property Bonds	299.2	311.6	.....	—

GRE Linked Assurance Limited

Managed Initial	202.2	212.9	+1.2	—
Do Accum.	222.1	233.8	+1.3	—
Equity Initial	256.3	269.8	+2.5	—
Do. Accum.	281.5	296.3	+2.7	—
Fixed Int. Initial	187.0	196.8	+1.0	—
Do. Accum.	205.8	216.7	+1.2	—

Vanbrugh Pension Limited (z)
41-43, Maddox St., Ldn., W1R 9LA 01-499 4923

Managed	220.4	232.0	.....	—
Equity	278.0	292.7	.....	—
Fixed Interest	194.6	204.9	.....	—
Property	176.1	185.4	.....	—
Index Linked Gilt	111.5	117.4	.....	—
Guaranteed	9.37		.....	—
International Money	109.3	115.1	−0.4	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	154.5	162.6	.....	—
Accum. Pen. Units	266.0	280.0	.....	—
Flex. Inv. Growth	158.6	166.9	.....	—
Future Assd Growth	77.0(A)	87.0(B)	.....	—
Ret. Ass'd Pen.	52.43		.....	—

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adirenta	DM27.7	23.39	.....	—
Adiverba	DM71.22	74.78	+0.83	—
Fondak	DM35.98	37.78	+0.34	—
Fondis	DM29.G	30.90	+0.36	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (C.I.)	$241.53	245.25	.....	1.21

Next dealing May 13.

For Allen Harvey & Ross see Cater Allen

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv: ACMI, 62/63 Queen St., EC4. 01 248 8881
Distribution April 22/25 (0.000934) (8.89% pa).

Andover Futures Ltd. (Adv: Thornte)
c/o MIL: Bank of Bermuda 809-295 4000

NAV Mar 31		$69.68d	.....	—

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (z)	1.049	1.092d	+0.001	10.99
Gov't Secs. Tst.	82.8	86.2	.....	11.60

US $ Option	$0.98	1.03	.....	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.10		+0.08	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas, IoM 0624 25015

Wren Com. Fund	31.8	33.1	.....	3.10
Chinese Fund	75.3	78.4	.....	1.70
Precious Metal Fund.	125.7	130.9	.....	8.30
Vanguard Cmdy. Fd.	43.3	44.4	.....	2.26
Financial Futures Fd.	126.5	131.7	.....	—
Wren Intl. Fnd.*	$0.897	0.932	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rate of NAV increase.

INTERNATIONAL CAPITAL MARKETS

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for April 27.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¾ 90	100	97⅞	98⅜	+0½	+0¼	10.84
Amro Bank 13 89	200	107⅜	107⅞	+0⅛	+0¼	11.25
Bank of America 8 85 XW	150	89¾	90¼	0	+0⅛	10.72
Bank of Tokyo Hold 11 90	100	99½	100	0	+0⅜	11.05
British Col Hyd 10¾ 88	200	99⅝	99⅞	+0½	+0¾	10.51
British Col Hyd 15¼ 92	150	119¼	119¾	+0⅛	+0⅝	11.86
Canada 14⅝ 87	750	112⅝	112⅞	+0⅝	+0⅝	10.44
Canadair Ltd 12½ 88	175	106⅝	106⅞	+0⅛	0	10.99
Canadian Wheat 11⅝ 90	50	102½	102¾	–0⅛	+0⅜	10.75
Can Pac Sec 15 89	75	110	110½	0	+0¼	12.61
Coca Cola Int 9⅜ 92	100	25½	26	0	+0⅛	10.60
Coca Cola Int 11¾ 88	100	105	105½	0	+0⅛	10.55
Credit Suisse BHA 10½ 90	150	100⅛	100⅝	+0⅛	+0⅛	10.41
Credit Suisse 10½ 88	100	101⅞	102⅜	0	+0¼	10.02
Deutsche Bk Fin 14¼ 89	300	112⅜	112⅞	+0¼	+0⅛	11.31
Du Pont 11⅛ 85	150	103	103½	+0¼	+0⅜	10.73
Du Pont 14⅛ 89 WW	200	108¾	109¼	0	+0¼	11.87
E.D.C. 10⅝ 88	100	100¼	100¾	+0⅛	0	10.58
E.E.C. 10⅝ 85	75	98	98½	+0⅛	–0⅛	11.33
E.E.C. 11½ 95	200	100½	100⅞	+0½	+0⅜	11.42
E.I.B. 11 91	125	99⅝	100⅛	0	+0½	11.01
E.I.B. 15½ 92	100	114⅝	115¼	+0¼	+0½	12.83
Exp Dev Corp 11⅝ 87	100	103	103½	+0⅛	+0½	10.76
Forsmarks 13⅝ 92	75	107⅞	108⅜	–0⅛	+0⅜	12.22
Gaz de France 12¼ 93	175	21½	22	0	+0¾	11.94
Gen Elec Credit 0% 91	100	15⅝	16⅛	0	+0⅝	10.48
Gen Elec Credit 12 88	100	107⅛	107⅝	0	+0¼	10.31
GMAC O/S Fin 10½ 90	200	99⅝	100⅛	+0⅛	+0⅜	10.51
GMAC O/S Fin 15 87	100	110⅝	110⅞	+0⅛	+0⅝	11.56
Gulf Oil Fin 12¼ 87	100	104⅜	104⅞	0	0	10.83
Honeywell Int 10¾ 90	100	98⅝	99⅛	0	+0⅛	10.96
IBM World Trade 12¼ 92	200	110⅛	110⅝	0	0	10.44
Manitoba Prov 11¾ 89	125	104¼	104¾	0	+0⅛	10.73
Manitoba Prov 13⅝ 89	100	109¾	110¼	0	+0⅝	11.43
Midland Int Fin 11½ 92	150	102	102½	+0⅜	+0⅝	11.08
Nat West Fin 11⅞ 92	150	103⅝	104⅛	+0⅛	+0⅝	11.02
New Brunswick 15¼ 87	75	111¼	111¾	+0⅛	+0½	11.83
Newfoundland 15½ 90	75	115⅜	115⅞	+0⅛	+0¾	12.12
Nippon Credit 11⅛ 93	100	98½	99	+0¼	+0¼	11.45
Nova Scotia Prv 15¼ 89	75	114	114½	+0⅛	+0⅛	11.86
O.K.B. 10 91	100	95⅜	95⅞	+0⅛	0	10.84
Ontario Hydro 11⅛ 89	200	103⅛	103⅝	+0⅛	+0⅝	10.47
Ontario Hydro 12⅝ 92	200	100½	100⅞	+0⅜	+0¾	11.24
Ontario Hydro 15 92	150	117¾	118¼	+0⅛	+0¼	11.89
Prudential O/S 10⅝ 93	100	100	100½	+0½	+0⅛	10.58
Prudential O/S 12⅝ 87	150	107½	108	+0¼	+0¼	10.45
Quebec Hydro 11½ 92 D	100	102¼	102¾	+0½	–0⅛	11.04
R. J. Reynolds 12¾ 89	100	106¼	106¾	+0⅛	+0⅜	11.24
Saskatchewan Pr 10⅝ 90	125	99⅜	99⅞	+0⅛	+0⅛	10.82
S.N.C.F. 11½ 93	100	99⅝	100⅛	–0⅛	–0¼	11.51
Swiss Bk Corp 10¼ 90	125	101½	102	+0¼	+0¼	9.86
Tenneco Capital 9⅝ 90	150	96½	96⅞	+0⅛	+0½	10.51
U.B.S. 11 88	150	104⅝	104⅞	+0½	+1¼	9.98
Walt Disney Pro 12½ 88	75	106¼	106¾	+0⅛	+0¼	10.83
World Bank 10⅝ 88	150	99¼	99⅝	–0⅛	–0⅛	10.50
World Bank 10⅞ 93	100	99⅜	99⅝	–0⅛	0	10.90
World Bank 11⅛ 88	100	99⅜	99⅞	+0⅛	+0⅛	11.25

Av. price changes: on day +⅛, on week +⅜

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Aeroport Paris 8¼ 92	80	100⅝	100⅞	–0⅛	–0⅛	8.14
Australia 6⅞ 93	200	99⅛	99⅝	0	–0⅛	6.94
Australia 7¾ 92	200	103⅝	104⅛	–0⅛	–0½	7.18
Bank of Tokyo 7⅛ 90	100	99½	100⅛	+0⅛	–0⅛	7.22
Bayer Capital 7⅛ 89	150	104⅜	105⅛	–0⅛	–0⅛	6.67
Caisse Nat Energie 8 93	100	99⅝	100⅛	+0⅛	–0⅛	7.99
Caisse Nat Tele 7⅝ 93	200	98	98½	0	0	8.01
E.C.S.C. 7½ 93	150	99⅝	99⅞	–0⅛	–0½	7.56
E.E.C. 7⅝ 95	200	99½	100⅛	+0⅛	0	7.73
E.E.C. 8 94	200	100⅝	101⅛	–0⅛	–0⅛	7.87
Eurofima 7½ 91	100	101⅝	101⅞	0	–0⅛	7.22
Ferrovie Dello 8⅝ 88	150	101⅞	102⅜	0	–0½	8.19
Gould Int Fin 8⅛ 89	75	103⅝	104⅛	+0⅛	–0⅛	7.45
H.J. Heinz Int 6⅞ 88	50	100½	101⅛	+0⅛	+0½	6.52
Int-Am Dev Bk 8⅛ 93	150	100⅝	101⅛	–0⅛	0	8.07
Ireland 8½ 90	150	101⅝	101⅞	+0⅛	0	8.17
Ireland 8⅝ 91	150	102⅛	102⅝	0	+0⅛	8.43
ITT Antilles 7 93	200	98	98½	0	+0⅛	7.25
McDonalds Fin 7⅛ 92	100	101	101⅝	–0⅛	–0½	6.92
Mitsui O.S.K. 7¼ 88	100	100¼	100⅝	+0⅛	–0⅛	7.11
Mount Isa Fin 7½ 90	100	98	98½	–0⅛	+0¼	7.86
Quebec Hydro 8 93	200	102⅝	103⅛	0	+0⅛	7.57
Sweden Kingdom 8⅛ 88	150	101⅞	102⅜	0	–0⅛	7.79
Volkswagen Int 7⅛ 93	200	97⅝	98⅛	0	0	7.52
World Bank 7⅛ 93	200	97⅝	98⅛	0	0	7.52

Av. price changes: on day 0, on week –⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 5½ 95	100	99	99⅜	0	–0⅛	5.59
American Express 4⅝ 93	100	96⅝	97⅛	+0⅛	–0⅛	5.14
Asian D.B. 5⅝ 95	100	98½	99⅛	+0½	0	5.82
BTR Finance 5⅝ 93	75	98	98⅝	–0⅛	–0⅛	5.88
Carls-Tuborg Brw 5⅝ 93	80	103	103½	0	0	5.34
Chugoku Ele Pow 6⅛ 91	100	103	103½	0	+0⅛	5.61
Chujitsuya Co 5⅝ 93	50	97½	97¾	0	–0½	6.28
E.I.B. 5⅝ 93	100	99½	100	+0⅛	–0¼	5.76
Ex-Im Bk Japan 5 93	100	96½	97	–0½	–1⅛	5.43
First Interstate 6 92	100	103⅝	104	+0⅛	–0⅛	5.47
Fuji Electric Co 6 93	100	100⅝	101⅛	+0¼	+0½	5.86
Gothenburg Airport 6 93	50	100	100⅝	0	–0½	5.98
HCA Finance 5 93	100	98	98½	0	+0½	5.25
Manitoba Prov 5⅝ 93	100	101½	101⅞	–0⅛	+0⅛	5.43
Nippon Express Co 6 93	50	101⅞	101⅞	+0⅛	+0½	5.82
Nippon Kokan 5⅝ 93	100	96¼	96½	0	+0½	6.13
Norsk Hydro 5½ 98	100	98¼	98½	0	–0¼	5.66
O.K.B. 6⅝ 93	80	102¼	102½	+0⅛	–0¼	6.41
Quebec 5¾ 92	100	102	102¼	–0¼	–0⅛	5.45
Shikoku Elec Pow 5⅝ 93	100	97⅝	98	–0⅛	–0⅛	5.91
Tohoku Elec Power 6 93	100	100⅝	101⅛	+0⅛	–0⅛	5.86
Yamanouchi Pha 5⅝ 93	100	99	99⅝	0	0	5.87
Tozai Corp 6⅛ 91	100	101⅞	101⅞	+0⅛	+0⅛	6.01
Union Bk Norway 5⅝ 93	85	98	98⅝	–0⅛	+0⅛	5.93
Volvo 5⅝ 91	80	101	101½	–0⅛	–0⅛	5.17
World Bank 5½ 93	100	100⅛	100½	0	0	5.46

Av. price changes: on day 0 on week –⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅛ 92	15	105⅛	106	0	–0⅛	7.79
E.I.B. 8⅝ 92	15	102⅝	102⅞	0	–0⅛	7.86
Japan Airlines 7⅝ 87	9†	101⅝	102⅛	0	0	7.48
New Zealand 7⅝ 85	15	100⅝	101⅛	–0⅛	+0⅛	7.36
World Bank 8⅛ 92	20	102⅝	103⅛	0	0	7.81

Av. price changes: on day 0, on week 0

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Cepme 12½ 98 CS	50†	98⅛	98⅝	0	+0⅛	12.79
Farm Credit 12⅛ 93 CS	50†	102¼	102¾	–0⅛	+0⅛	11.88
Interprov Pipe 12⅝ 93 CS	50†	99⅝	100⅛	+0⅛	+1⅛	12.27
Pancanadian 12½ 93 CS	50†	100	100½	+0⅛	+0⅛	12.45
Quebec Hydro 14 92 CS	60†	107⅛	108⅛	+0⅛	+0½	12.48
Seed Exp CR 12¼ 86 CS	50†	102½	103½	0	0	11.38
Trans Mount 12½ 90 CS	20†	98	99	0	0	12.83
E.I.B. 11⅝ 91 ECU	60	99⅝	100⅛	0	+0⅛	11.76
Quebec Prov 11½ 88 ECU	50	96	97	0	–0⅛	12.36
Amfas 9½ 87 FL	60	103⅝	103⅞	0	–0⅛	8.49
[illegible] 7½ 88 FL	100	99⅝	100	–0⅛	–0⅛	7.52
Nederland Gas 7½ 88 FL	100	100⅝	100⅞	+0⅛	0	7.40
Neder Middb 9⅝ 87 FL	100	104¼	104¾	–0⅛	0	8.03
Quebec Prov 7½ 88 FL	100	99⅝	99⅞	+0⅛	+0⅛	7.62
World Bank 7 88 FL	150	98	98½	–0⅛	0	7.44
O.K.B. 14 86 FF	400	100	101	0	+0⅛	13.71
Solvay & Cie 14⅝ 86 FF	200	100⅝	101⅝	0	+0⅛	14.31
B.F.C.E. 14½ 87 £	30	107½	108¼	+0⅛	+0⅝	11.91
C.E.C.A. 13½ 86 £	20	105⅝	106⅛	0	+0⅛	11.87
C.N.T. 12½ 88 £	20	101¼	102¼	0	+0⅛	12.08
E.E.C. 11⅝ 91 £	50	99½	100¼	0	+0⅛	11.88
Fin For Ind 12⅝ 88 £	30	103	104	0	+0⅛	11.32
Fin Mat Orani 12⅝ 92 £	30	100⅝	101⅛	–0⅛	+0⅛	12.43
Gen Elec Co 12½ 89 £	50	104⅛	105⅛	0	0	11.28
Hiram Walker 14⅝ 86 £	25	106⅝	107⅝	0	+0⅛	11.18
Mort Bk Fin 11⅝ 88 £	15	27	28	0	+0⅛	12.41
Norsk Hydro 12 90 £	30	101½	102¼	+0⅛	+0½	11.56
Norsk Hydro 14½ 87 £	30	107¼	108¼	0	+0⅛	11.85
Quebec 14½ 89 £	30	108	110	+0⅛	–0⅛	12.21
S.D.R. France 15½ 92 £	30	107¼	108¼	–0⅛	+0⅛	13.94
S.N.C.F. 11½ 88 £	30	96½	97½	+0⅛	–0⅛	12.15
Tenneco Int 14⅝ 87 £	30	108	109	0	+0⅛	12.04
World Bank 11⅝ 91 £	75	97⅝	98¼	0	+0⅛	11.82
Eurofima 11 93 LuxFr	500	102⅝	103⅝	0	+0⅛	10.46
Europeat 12½ 92 LuxFr	500	104¼	105¼	0	0	11.61

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Bank of Tokyo 5⅝ 91 (D)	0⅛	100⅛	100⅝	18/8	9⅝	9.71
B.F.C.E. 5⅛ 88	0¼	99⅝	99⅞	28/7	9¼	9.31
B.F.C.E. 5⅛ 87	0¼	99⅝	99⅞	27/7	9.94	9.96
Caisse Nat Tele 5¼ 90	0¼	99⅝	99⅞	21/10	9.56	9.61
C.C.F. 5¼ 95	0¼	99⅝	99⅞	7/10	10.19	10.21
C.C.F. 5¼ 98	0¼	99⅞	100⅛	24/9	9.94	9.94
Cepme 5⅝ 88 WW	0⅛	99⅝	99⅞	3/6	5⅝	5.27
Cepme 5¼ 92	0¼	99⅞	100	10/6	9.94	9.95
Chemical NY 5¼ 94 ††	0⅛	100½	101	23/6	9⅞	9.80
Credit Agricole 5⅛ 97	0¼	99⅞	100⅛	24/9	10	10.01
Credit du Nord 5⅛ 92	0⅛	99⅞	99⅝	23/6	10⅛	10.21
Credit Lyonnais 5⅛ 97	0¼	99⅝	100⅛	1/10	10.06	10.06
Credit Lyonnais 5¼ 94	0¼	99⅝	99⅞	9/7	9⅝	9.79
Credit Nat 5¼ 94	0¼	99	99¼	9/8	9⅝	9.32
E.D.F. 5¼ 95 XW	0⅛	99⅝	99⅞	30/6	10	10.04
Kansallis Osake 5⅛ 92	0⅛	99⅝	100⅛	1/6	10.06	10.05
Long Term Cred 5¼ 92	0⅛	100	100⅛	27/6	10⅛	10.11
J.P. Morgan 5¼ 97 §	0⅛	100⅝	101	12/5	9⅝	9.43
New Zealand 5⅛ 87	0⅛	100⅝	100⅞	7/10	10.06	10.00
NZ Steel Dev 5⅛ 92	0⅛	100⅛	100⅝	22/6	10.19	10.16
Nippon Credit 5⅛ 90	0⅛	100⅛	100⅝	10/8	9⅝	9.28
Scotland Int 5⅛ 92	0⅛	100⅛	100⅝	23/7	9.94	9.91
Sec Pacific 5⅛ 91	0⅛	99⅝	100⅛	24/5	10.06	10.05
Société Générale 5⅛ 95	0⅛	99⅝	99⅞	1/9	9⅝	9.56
Standard Chart 5⅛ 91	0⅛	100⅛	100⅝	19/5	10.00	10.05
Sweden 5⅛ 93	0⅛	99⅝	100⅛	3/8	10.19	10.20
Sweden 5⅛ 88	0⅛	99½	100	26/8	9⅝	9.65

Av. price changes: on day 0, on week 0

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Ajinomoto 5⅛ 96	7/81	848.2	99½	100½	+0⅛	9.24
Bridgestone Tire 5½ 96	3/82	470	110⅝	111⅝	+1⅛	5.91
Canon 7 97	7/82	748.2	105⅝	107⅝	+2⅛	2.14
Fujitsu Fanuc 4½ 98	10/81	4401	121⅝	123⅝	+2½	5.16
Hitachi Cable 5⅛ 96	2/82	515	99¼	101	+1½	8.51
Hitachi Credit Corp 5 96	7/81	1612	97⅝	99⅝	+2⅛	23.28
Honda Motor 5½ 97	3/82	769.5	112⅝	113⅝	+0⅛	2.98
Kawasaki 5⅛ 96	9/81	229	86⅝	88⅝	0	25.27
Kumagai Gumi 6½ 97	10/82	498	113⅝	115⅛	–0⅛	–1.11
Kyowa Hakko 5⅛ 97	2/83	762	105⅝	106½	+0⅛	13.44
Marui 6 96	7/81	799.5	124	125½	+0⅛	7.74
Minolta Camera 5 96	10/81	828.4	86	87½	–1⅛	19.06
Murata 5⅛ 96	7/81	1714	116¼	117¼	+0⅛	3.77
Nippon Electric 5⅛ 97	2/82	785.9	126⅝	128⅛	+2⅛	7.55
Nippon Oil Co 5½ 98	4/83	964	97¼	98⅛	+0⅛	5.95
Nissan Motor 5⅛ 98	4/83	770	96⅝	97⅝	+0⅛	2.61
Olympus Optical 6⅛ 97	12/82	1331	101⅛	102⅛	+0⅛	10.87
Orient Finance 5⅛ 97	3/82	827.2	104	105½	0	3.76
Sumitomo Electric 5½ 97	3/82	577.3	99⅝	100⅝	+0½	5.40
Sumitomo Metal 5⅛ 96	10/81	296.1	80⅛	82⅛	+0⅛	53.93
Fujitsu 3½ 93 SF	3/83	868	107⅝	108⅝	+0⅛	13.84
Sharp Corp 3½ 93 SF	3/83	1190	111⅝	112⅝	+0⅛	2.83
Konishiroku 6⅛ 88 DM	8/82	416	111½	112½	+0⅛	9.88
Mitsubishi Heavy 6 89 DM	2/82	263	107⅝	108⅝	–0⅛	13.83
Sam Realty 6⅛ 92 DM	2/83	368	116⅛	117⅛	–0⅛	8.63

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week — Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date — Date next coupon becomes effective. Spread — Margin above six-month offered rate (‡‡ three-month; § above mean rate) for U.S. dollars. C.cpn — current coupon. Cu. yld — current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day — Change on day. Cnv. date — First date for conversion into shares. Cnv. price — Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem — Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Credit Lyonnais launches $300m FRN

BY MARY ANN SIEGHART IN LONDON

CREDIT LYONNAIS launched a $300m floating rate note in the Eurodollar Bond market yesterday. The eight-year bond, priced at par, will pay ¼ per cent over the six-month London interbank offered rate.

Each note has a nominal value of $10,000 instead of the normal $1,000 and carries five warrants to buy 10½ per cent, eight-year bonds. The warrants must be exercised within one year of the issue. Credit Lyonnais is leading the deal, together with Merrill Lynch, Salomon Brothers and Credit Suisse-First Boston.

With its warrants, the notes were trading in the pre-market yesterday at a ¼ point discount. The warrants themselves were being sold for about $13 each.

AMCA International, the Canadian heavy engineering company formerly known as Dominion Bridge, is raising $60m through an 11½ per cent bond priced at par and led by Orion Royal. The coupon can be adjusted at intervals of five years up to a total of 15 years.

The issue was not very well received, trading at a discount of about 1¾ points, outside its 1⅛ point selling concession. Dealers commented that previous Dominion Bridge issues had not been popular.

The third new dollar issue of the day came from Den Norske Creditbanken – a 10-year, $50m, 11¼ per cent bond priced at par and led by S.G. Warburg and Goldman Sachs. The bond is non-callable and involves an interest rate swap with more than one counterparty. It was trading yesterday in the pre-market at a discount of about 1¾ points. Though the coupon is slightly higher than most recent bank issues, the maturity is long.

Dresdner Bank should be bringing out a $50m issue for Degussa, the German metals and chemicals group, today. The bond will carry warrants to buy shares in the company.

The C$25m, 11¾ per cent, 10-year bond from the British Columbia Municipal Finance Authority picked up yesterday. Led by Credit Commercial de France, it was trading at a 1½ point discount.

Both the German and Swiss secondary markets closed more or less unchanged.

Oman to raise $300m

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

OMAN is to raise a $300m loan in the Euromarkets, the first major borrowing by the sultanate under its own name since a $150m credit arranged in 1979.

The mandate was awarded yesterday to Gulf International Bank, which is to arrange the seven-year loan on the basis of a margin of ½ per cent over Eurodollar rates (Libor) for the first two years, rising to ⅝ per cent for the remaining five. Repayments will start after a grace period of 3½ years.

Oman is a rare name in the Eurocredit market, and its reappearance this year coincides with a resumption of borrowing by a number of energy exporters as oil prices drop. Algeria's oil and natural gas concern, Sonatrach, is currently arranging a $500m loan.

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$400	—	—	—	—	1	69	$434.50
GOLD C	$425	6	19	—	—	5	46	„
GOLD C	$450	28	8	29	24	7	35	„
GOLD C	$475	2	3	15	15	2	24	„
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS [illegible]

A=Asked B=Bid C=Call P=Put

EQUITIES

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or –	Net Div.	Times Covered	Gross Yield	P.E. Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or –
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price	+ or –
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

SECTION III – INTERNATIONAL MARKETS
FINANCIAL TIMES
Thursday April 28 1983

Trade co-operation urged by dairy chief, Page 37

WALL STREET

New highs give way to profit taking

WALL STREET appeared set for another successful session yesterday with market indices pushing through to new peaks in early trading. But the final hour brought profit-taking rather than the frenzied buyers of the previous session, and by the close major stocks were mostly lower, *writes Terry Byland in New York.*

Underlying confidence remained high, helped by trading reports from Exxon and Ford Motor. A further boost came from the credit market where prices rose sharply after an unexpected move by the Federal Reserve to give help in the form of system repurchase arrangements.

The equity market opened with a rush which took the Dow Jones Industrial average up to 1219.04. Turnover of 41.3m shares in the first hour was the third highest total recorded. By the close, however the Dow was 1.06 down at 1208.40 with transport issues particularly weak. Trading was heavy with 119.1m shares turned over. Share gains of 865 were balanced by share losses of 798 indicating widespread profit-taking.

Exxon put on a quarter of a point to $34¾ in response to the first quarter statement. Standard Oil of California met further demand and added $1¼ to $39⅞. At $36⅞, Tenneco which also has interests in natural gas and manufacturing was trading $⅛ down.

Losses from Pan American were in line with predictions and the shares held steady at $5½, while Eastern Airlines, trading at $7⅞, lost $⅜ on further consideration of the trading figures.

First quarter results from Xerox took the shares to $46, a gain of $¾. The day's new issue, Telerate, was offered at $20 and traded at around $20¾ later.

The bullishness of the market was reflected in block trades in many leading stocks, including Mobil, IBM, Atlantic Richfield and Exxon.

In computers, Digital Equipment rallied to $116⅛, a gain of half a point helped by a block trade at $115⅝. IBM added $⅛ to $117¼.

J.P. Stevens, the textile group, was the most active stock, but the turnover consisted almost entirely of a sale of 3.96m shares by Gulf and Western.

Credit markets were pleasantly surprised by the Fed's move to supply direct and permanent help in the form of system repurchases, rather than the customer repurchases of recent weeks.

Bond prices, already firmer on optimistic forecasts of the level of Treasury funding for May, due to be announced after market hours, turned higher after the Fed's move, although retail interest remained thin.

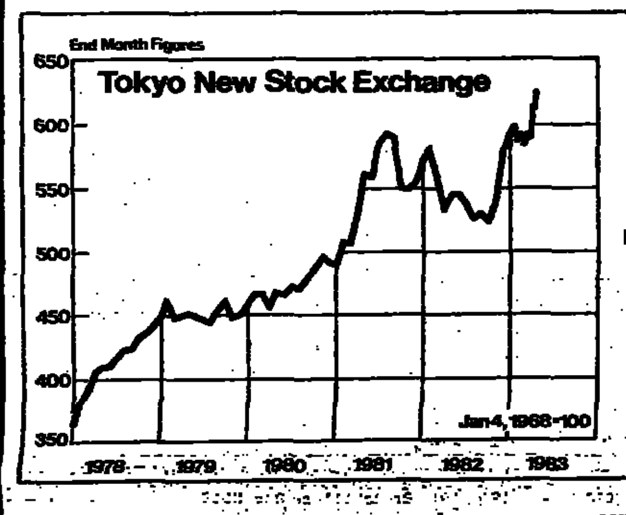
The market will be well satisfied with any funding total below $14bn.

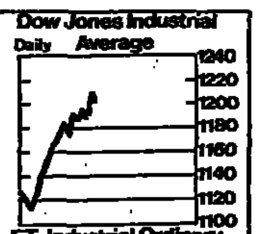
Treasury Bond yields shed 7–9 basis points, with the three-month discounted rate at 8.08 and the six-month at 8.12. The bench mark long bond added 22/32 to 99 22/32.

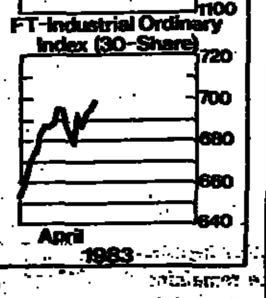
Both municipal and corporate bonds added ¼ of a point or so on the Fed move and saw increased trading.

In **Toronto**, shares continued to build on early gains with advances leading declines by about two-to-one. Ten of the 14 major indices moved higher, led by the real estate, media, and oil and gas sectors. The advances were also reflected in **Montreal**.

KEY MARKET MONITORS







STOCK MARKET INDICES

NEW YORK	April 27	Previous	Year ago
DJ Industrials	1208.4	1209.46	857.5
DJ Transport	517.39	523.98	348.64
DJ Utilities	127.17	126.43	114.51
S&P Composite	162.27*	161.81	118.00
LONDON			
FT Ind Ord	699.0	695.2	575.3
FT-A All-share	441.51	439.54	329.36
FT-A 500	480.73	478.27	357.54
FT-A Ind	444.13	442.03	322.47
FT Gold mines	647.4	644.3	252.8
FT Govt secs	81.6	81.71	67.70
TOKYO			
Nikkei-Dow	8634.79	8607.47	7417.18
Tokyo SE	626.14	624.42	546.62
AUSTRALIA			
All Ord.	599.0	603.1	504.9
Metals & Mins.	534.8	545.7	369.6
AUSTRIA			
Credit Aktien	56.88	56.01	52.50
BELGIUM			
Belgian SE	122.47	122.15	98.05
CANADA			
Toronto Composite	2325.3	2321.3	1571.8
Montreal Industrials	395.78	397.04	285.79
Combined	388.97	388.87	268.92
DENMARK			
Copenhagen SE	138.31	137.46	94.30
FRANCE			
CAC Gen	118.80	117.8	108.4
Ind. Tendance	123.0	122.2	119.5
WEST GERMANY			
FAZ-Aktien	321.63	318.09	235.44
Commerzbank	965.6	952.1	717.6
HONG KONG			
Hang Seng	1033.76	1028.29	1306.08
ITALY			
Banca Comm.	194.38	190.98	192.73
NETHERLANDS			
ANP-CBS Gen	126.3	125.5	94.0
ANP-CBS Ind	104.6	104.7	73.9
NORWAY			
Oslo SE	185.85	182.52	107.61
SINGAPORE			
Straits Times	956.67	932.75	767.43
SOUTH AFRICA			
Golds	n/a	918.9	426.2
Industrials	n/a	927.3	591.5
SPAIN			
Madrid SE	108.7	109.38	123.04
SWEDEN			
J & P	1427.76	1390.27	563.84
SWITZERLAND			
Swiss Bank Corp	326.3	322.0	257.9
WORLD	Apr 26	Prev	Yr ago
Capital Int'l	175.7	174.1	138.0

GOLD (per ounce)

	April 27	Prev
London	$431.50	$436.00
Frankfurt	$434.25	$435.75
Zürich	$434.50	$435.50
Paris (fixing)	$435.45	$435.80
New York (May)	$432.00	$438.80

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR April 27	U.S. DOLLAR Previous	STERLING April 27	STERLING Previous
£	1.5660	1.5730	–	–
DM	2.4510	2.4505	3.84	3.8575
Yen	236.55	237.50	370.75	373.50
FFr	7.3435	7.3475	11.4975	11.5550
SwFr	2.0555	2.0560	3.2225	3.2375
Guilder	2.7650	2.7635	4.3325	4.35
Lira	1459	1458.5	2284	2294
BFr	48.86	48.86	76.55	76.85
C$	1.22725	1.22825	1.9210	1.9310

INTEREST RATES

	April 27	Prev
Euro-currencies (three month offered rate)		
£	10 5/16	10¼
SwFr	4¾	5⅛
DM	5 1/16	4⅞
FFr	13¼	12½
FT London Interbank fixing (offered rate)		
3-month U.S.$	9⅛	9⅛
6-month U.S.$	9¼	9¼
U.S. Fed Funds	9	8¼
U.S. 3-month CDs	8.70	8.70
U.S. 3-month T-bills	8.10	8.14

U.S. Treasury Bonds

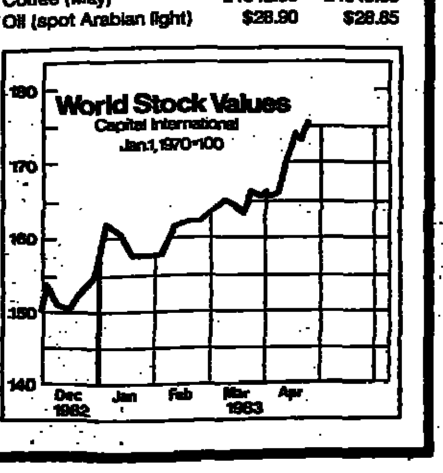
	April 27 Price	April 27 Yield	Prev Price	Prev Yield
9½ 1985	100 4/32*	9.36*	99 25/32	9.61
10¼ 1990	101 24/32*	10.12*	100 24/32	10.33
10⅞ 1993	103 24/32*	10.24*	102 21/32	10.43
10⅜ 2012	100 8/32*	10.37*	98 14/32	10.53

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	78–13	79–02	77–25	77–30
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.95	92.04	91.52	91.86
Cert Deposit (IMM) $1m points of 100%				
June	91.43	91.49	91.25	91.30
LONDON				
Three-month Eurodollar $1m points of 100%				
June	90.99	91.00	90.95	90.95
20-year Notional Gilt £50,000 32nds of 100%				
June	105–19	105–19	105–08	105–15

LONDON COMMODITY MARKETS

	April 27	Prev
Silver (spot fixing)	784.85p	776.70p
Copper (cash)	£1117.50	£1102.50
Coffee (May)	£1842.50	£1845.00
Oil (spot Arabian light)	$28.90	$28.85



LONDON

Peak prices deter buyers after surge

LONDON yesterday joined other international share markets currently standing at all-time records when the FT Industrial ordinary share index closed at a new peak of 699. The 30-share indicator had breached the 700 barrier for the first time, but slipped back in later trading for a net advance of 3.8.

The equity market strength was in response to Wall Street, where the Dow Jones index's passage through the 1200 barrier reflected a growing chorus of confident predictions about world economic prospects and sharply improved first-quarter results from top names in U.S. industry.

Leading UK shares, which have shown a consistently firm undertone recently but a tendency to jib at 700, were raised sharply at the outset. Pre-market inquiries were at a substantial level and, on the possibility of pent-up demand, equity dealers took few chances.

The considerably enhanced prices, however, deterred many potential investors. Some thought it prudent to wait for another good Wall Street display and leading shares eased back. The undertone remained strong, though, mirroring among other things the latest CBI survey of UK industrial trends and settlement of the BL Cowley industrial dispute. At its best of the day at 10 am, the index stood at 704.1.

Gilt-edged markets could only watch as equities claimed all the attention. Interest in the funds slackened as sterling shed a little of its recent rise, and once again business among longer-dated gilts was largely made up of switching operations.

Awaiting the New York debut of the company's 49 per cent owned associate Telerate, Exco International attracted an active two-way business and hovered around 700p for most of the session before succumbing to profit-taking after hours and ending 21p down on balance at 682p. British and Commonwealth Shipping, which controls just over 13 per cent of Telerate, eased 20p to 860p.

Optimism about increased housing starts and an 18 per cent increase in first-quarter brick sales gave an additional boost to sentiment in constructions. London Brick firmed 3p to 148p, Barratt Developments rallied 6p to 500p and George Wimpey gained the same amount to 143p.

Mining markets were highlighted by the weakness of Australians, especially CRA, which dropped 16p to 269p after 267p, following news of a proposed A$206.5m rights issue.

South African mining issues mirrored the performance of the bullion price, which fell $4.5 to $431.5.

Share information service, Pages 38–39.

AUSTRALIA

Mines decline

SHARES fell back in **Sydney** and **Melbourne** following the announcement of a A$206.5m one-for-eight renounceable rights issue by the Rio Tinto Zinc affiliate, CRA.

The announcement left CRA 24 cents lower at A$4.90 and sent the All Ordinaries index four down to close at 599. The All Resources ended 7.2 off at 479.7, while the All Industrials was steady at 747.1.

The market had been expecting a correction after its recent strength – the decline was only the second in 18 trading sessions.

SOUTH AFRICA

Golds mixed

THE stable bullion price left gold shares mixed in **Johannesburg** after a quiet day. President Steyn fell back R1 to R62.50, while Western Holdings advanced R1.25 to R61.75 and Buffels was R2 ahead at R68. Cheaper priced producers ranged 25 cents either way.

Mining financials were steady while platinums were firm. Diamond share De Beers added 1 cent to R9.48 after fluctuating between R9.54 and R9.45.

FAR EAST

Overseas demand aids Tokyo rise

THE overnight Wall Street advance helped Tokyo ahead again and the Nikkei Dow industrial average closed the day at yet another record. The weak local currency again undermined Hong Kong, while Singapore remained firm and Taipei continued its surge.

Computers, light electricals and precision instrument issues led Toyko's advance and interest later spread to low priced, large asset issues.

The Nikkei Dow index rose 27.32 to 8,634.79 while the Tokyo SE index was also up 1.72 at a record 626.14. The second market continued to rise in active trading and the index gained 15.39 to close at an all time high of 1,033.81.

Trading by foreign investors was active with purchases outnumbering sales. This investment, which used to concentrate on electrical blue chip issues, has become more broadly based in recent weeks.

Among shares to record major gains were Sony, up Y70 at Y3,480, Teac Corporation Y100 ahead at Y610 and Hitachi Y10 to the good at Y780.

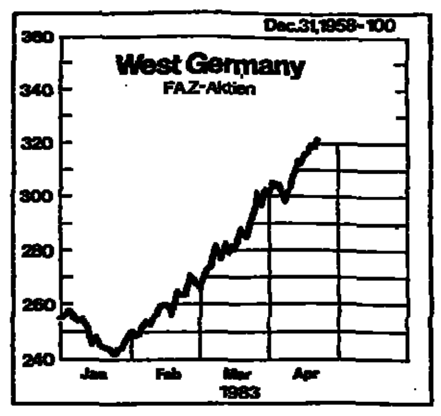
In **Hong Kong**, shares closed mixed in very thin trading after the usual Wednesday half-day session. Investors remained cautious as the Hong Kong dollar weakened yet again on the foreign exchanges, and there is now concern that any further deterioration by the local currency could force the Government to push up interest rates.

There were, however, some bright spots and the Hang Seng index managed a 5.47 gain to 1,033.76 on combined turnover of HK$98.03. Among properties, Cheung Kong fell 30 cents to HK$9.60 but Jardine Matheson and Hutchinson Whampoa each gained 10 cents to HK$14.60 and HK$14.10 respectively.

Despite some profit-taking in **Singapore**, shares were firm and the Straits Times index advanced 23.92 to this year's high of 956.67 as demand came in from Hong Kong and UK investors.

Industrials were selectively sought and there were also buyers for rubbers, tins, properties, banks and hotels. Among the industrials, Fraser and Neave rose 20 cents to S$9.05.

Shares continued their recent rise in **Taipei** in hectic trading. The weighted stock index rose 4.07 to another record, 741.32, and the value of shares traded was also a record at Taiwan $3.44bn.



EUROPE

Bourses take a lead from U.S. advance

THE European bourses again took their lead from the overnight Wall Street surge and advances were recorded in almost all centres.

Frankfurt also reacted to London's strength to build once more on the peaks of recent days. The Commerzbank index, 13.5 ahead at 965.6 was at another 22 year high, while the FAZ index rose 3.54 to a record 321.63.

Blue chip issues were in demand in a session characterised by high turnover. Siemens was heavily traded and rose DM 11.70 to DM 358.20. AEG advanced strongly for the second consecutive day, adding DM 2.7 at DM 65, after peaking at DM 67. BBC was DM 8.50 ahead at DM 187.50, after DM 190.

Hoechst benefited from the proposal to appoint a high-ranking Kuwaiti businessman to its supervisory board and its shares gained DM 4.10 to DM 149.50. Kuwait is the largest single shareholder with a stake of just over 24 per cent. BASF added DM 1.10 to DM 148.9 and Bayer DM 1.70 to DM 140.70.

Motor manufacturers proved a strong sector after the announcement of an 11.5 per cent rise in new vehicle registrations for March. BMW put on DM 9.50 to DM 343.50, VW DM 3.90 to DM 191.20, and Daimler DM 2.50 to DM 541.50.

Banks made strong gains, led by Commerzbank which advanced DM 5.60 to DM 181. Elsewhere, the precious metals concern, Degussa, was firm after recent falls, adding DM 7 to DM 322 in anticipation of an early launch of its promised dollar Eurobond, with share warrants.

In **Paris**, reports of higher 1982 profits for several large companies turned around Tuesday's broad decline, which had been prompted by Michelin's loss for last year. Among those reporting improved results, Pernod-Ricard advanced FFr 15 to FFr 475 and L'Oreal was FFr 66 ahead at FFr 1,497.

Domestic and foreign shares were higher during a lively session in **Brussels**. The Belgian shares index ended 0.32 ahead at 122.47 and the all shares index rose 3.96 to 302.67.

The Wall Street rally was again the main reason for **Zurich's** advance but the market also continues to be supported by speculation about lower U.S. interest rates and a sustained economic recovery. In the domestic sector, blue chips and high yielding issues were in good demand, while among foreign shares dollar stocks were led higher by the energy sector.

High Dutch interest rates continued to deter buyers in **Amsterdam** though prices were mainly higher.

Satisfactory results from some leading insurance companies led **Milan** higher and the major industrials posted good gains.

Generali, the leading insurance group, climbed to L134,700 from L123,30 after the announcement of a free capital increase.

In **Stockholm**, shares in most sectors were firmer in heavy trading.

Madrid went against the trend with prices falling in quiet trading. The Madrid bourse index closed 0.68 lower at 108.70.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close

Continued on Page 35

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅞	9⅞	AAV	.32	1.9	13	25	17¼	16⅞	17	-⅛
4⅜	2¼	AICPh				33	4	4	4	-⅛
6⅞	1	ATI			14	101	3½	3⅜	3⅜	-⅛
11⅞	2	AcmePr			23	66	8	7½	7½	-¼
21¼	12⅛	AcmeU	.40	2.0	16	6	20	19⅞	19⅞	-⅛
29⅞	2⅛	Action			8	77	29½	29⅛	29⅛	+⅛
8⅝	5⅛	Actons	.10t	1.3	45	140	7⅞	7⅞	7⅞	
3⅜	⅞	Adm	wt			9	2	1⅞	1⅞	
5	1⅛	AdmRs	.10	3.9		65	2⅝	2½	2⅝	+⅛
27⅞	12	AdRusl	s.10	.4	25	165	25⅛	24⅞	25	
21½	11⅛	Adobe	.20	1.1	12	346	18	17½	18	+⅞
3⅞	2	AeglsCp			11	397	3⅞	3⅝	3⅝	+⅛
21½	9⅞	Aeroflx	1.55t	8.6	15	290	18¼	18	18	-⅛
7	2½	Aerosce			11	168	6⅞	6⅞	6⅞	
25	9⅛	AffHsp	.32	1.4	10	12	23⅞	23⅛	23⅛	+⅛
36⅞	16⅞	AffPb	s.64	1.8	17	25	36½	36	36⅜	+⅞
11	3½	AirSix			8	202	10½	9⅞	10⅛	+⅛
15½	4⅞	AirExp				8	13⅞	13⅛	13⅞	-⅛
16⅞	3⅞	AlbaW	.10e	.6	17	65	16¼	16	16	
21⅞	6	AlienT	.75t	4.0		7	18⅞	18⅞	18⅞	-⅛
12	6⅛	AlmySt		2.1	244	5	9⅞	9⅞	9⅞	-⅛
10⅞	5⅛	AlphaA				125	8⅛	7⅞	7⅞	+⅛
24⅞	10⅞	Alphal	s		29	27	22½	21⅞	21⅞	-⅛
15⅞	7⅞	Altamil	.40	2.8	8	10	14⅛	14½	14½	-⅛
1½	½	Altec				99	1⅛	1⅛	1⅛	-⅛
8⅞	4⅞	Altec	pf			2	7⅞	7⅞	7⅞	+⅛
2⅞	1⅛	Altex				182	1⅞	1⅞	1⅞	+⅛
7-16	1-16	Altex	wt			22	⅛	3-16	3-16	
37	25½	Alcoa	pf3.75	11.		z200	34½	34½	34½	+½
45⅞	17¼	Amdhl	.40	.9	12	890	44⅞	43⅞	43⅞	⅛
36½	6¼	Amedc	s.12	.5	27	152	35⅞	34½	35⅞	+1⅛
5⅛	3½	ABilt	n.15	2.9	7	238	5½	5⅛	5⅛	-⅛
4⅞	⅞	AmCap				32	4⅛	4⅛	4⅛	
31¼	17¼	AConsl	.80	2.6	7	9	30⅞	29⅞	30⅞	+⅞

[illegible]

B—B—B

[illegible]

C—C—C

[illegible]

D—D—D

[illegible]

E—E—E

[illegible]

F—F—F

[illegible]

G—G—G

[illegible]

H—H—H

[illegible]

I—I—I

[illegible]

J—J—J

[illegible]

K—K—K

[illegible]

L—L—L

[illegible]

M—M—M

[illegible]

N—N—N

[illegible]

O—O—O

[illegible]

P—Q

[illegible]

Continued on Page 36

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 34

[illegible]

O—O—O

[illegible]

P—Q

[illegible]

R—R—R

[illegible]

S—S—S

[illegible]

T—T—T

[illegible]

U—U—U

[illegible]

V—V—V

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
76	52½	VaEl	pf8.60	11.		z200	76	76½	76	+1
61	60	VaEP	pf8.75	12.		z50	80	80	80	-⅛
25	19¼	VaEP	pf2.90	12.		15	24⅛	24⅛	24⅛	-⅛
59⅞	45½	VaEP	pf7.20	12.		z70	58½	58½	58½	+⅛
21⅞	13⅞	Vornad			25	111	21⅞	21⅞	21⅞	-⅛
17⅞	7½	Vulcinc				3	10⅛	10	10⅛	+⅛
64	39⅞	VulcnM	2.44	4.0	16	16	61⅞	61½	61⅝	+⅝

W—W—W

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
20⅞	15⅞	WICOR	2.14	11.	10	21	19⅞	19½	19⅞	+⅛
40⅞	23	Wachov	1.40	3.4	11	130	u41⅛	40⅞	41⅛	+⅞
33⅞	12⅞	Wackht	.44b	1.3	22	243	u34½	33⅞	34⅛	+½
13⅞	4½	Wainoc				98	5½	5⅛	5⅛	

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full.

WORLD STOCK MARKETS

CANADA

[illegible]

DENMARK

[illegible]

FRANCE

[illegible]

GERMANY

[illegible]

AUSTRIA

[illegible]

BELGIUM/LUXEMBOURG

[illegible]

NETHERLANDS

[illegible]

NORWAY

[illegible]

SPAIN

[illegible]

SWEDEN

[illegible]

SWITZERLAND

[illegible]

ITALY

[illegible]

AUSTRALIA

[illegible]

HONG KONG

[illegible]

JAPAN

[illegible]

JAPAN (continued)

[illegible]

SINGAPORE

[illegible]

SOUTH AFRICA

[illegible]

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

LONDON

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
Blue Circle	460	− 8
CRA	269	−18
Carpets Int	62	+ 6
Chubb	173	+ 7
Exco	682	−21
Grand Met	351	+ 8
ICI	474	+ 2
London & Liverpool	255	−55
Scottish & Newcastle	87	+ 4
Tate and Lyle	338	+ 4
Tele Rentals	184	+13
Trincentrol	180	+ 6

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Lon & Liv	22	310	−32
LASMO	16	330	+ 5
Plessey	16	598	+ 8
Hyman (I.&J.)	15	16½	− 5½
Security Cntrs	15	505	+25
Tate & Lyle	15	334	+10
Beecham	14	417	+ 6
Booth, Charles	14	25	—
Exco Int	14	703	−10
Glaxo	14	875	− 5
Rediffusion	14	362	+ 9
Std Tel & Cbls	14	276	+10
ICI	13	472	+ 4
Pearson (S.)	13	314	− 8

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (178)

INT. BK. & O'SEAS GOVT. STLG. ISS. (1)
CORPORATION LOANS (1)
COM'WEALTH & AFRICAN LOANS (2)
FOREIGN BONDS (1)
AMERICANS (7)
CANADIANS (7)
BANKS (4)
BREWERS (4)
BUILDINGS (4)
CHEMICALS (5)
DRAPERY & STORES (5)
ELECTRICALS (11)
ENGINEERING (11)
FOODS (2)
HOTELS (1)
INDUSTRIALS (34)
INSURANCE (4)
LEISURE (5)
MOTORS (4)
NEWSPAPERS (3)
PAPER (3)
PROPERTY (5)
SHIPPING (1)
TEXTILES (6)
TRUSTS (23)
OIL & GAS (11)
OVERSEAS TRADERS (1)
PLANTATIONS (4)
MINES (2)

NEW LOWS (12)

BEERS (1)
Young Brew. A
CHEMICALS (1)
Ransom (Wm.)
STORES (1)
Grattan
ELECTRICALS (1)
Druck Hldgs.
ENGINEERING (1)
Willay
FOODS (1)
Barr (A. G.)
INDUSTRIALS (3)
Inter-City
Leo Group
London & Liverpool
TEXTILES (2)
Lowe (R. H.)
Stirling Group
OIL & GAS (1)
Sunmask Pet.

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Apr 18	Apr 29	July 14	July 25
May 3	May 13	July 28	Aug 8
May 16	May 27	Aug 11	Aug 22

For rate indications see end of Share Information Service

Call options were arranged in London and Liverpool, RHM, Polly Peck, Burmah, Scottish and Newcastle, Avon Rubber, Grattan, Acorn Securities, Guinness Peat, First Castle, Bonusbond, Charterhall and Premier Oil. A put was done in Davenports Brewery, and a double in House of Fraser.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS Figures in parentheses show number of stocks per section	Wed April 27 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues April 26 Index No.	Mon April 25 Index No.	Fri April 22 Index No.	Thur April 21 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (206)	483.81	−0.1	8.16	3.56	15.48	484.42	483.76	478.79	477.35	375.89
2	Building Materials (23)	441.23	—	9.74	4.46	12.55	441.28	438.96	442.25	446.48	332.23
3	Contracting, Construction (30)	786.03	+1.2	11.47	4.32	10.52	776.50	777.45	779.85	791.32	481.92
4	Electricals (33)	1847.07	−0.9	6.51	2.09	19.25	1863.33	1868.79	1829.51	1800.73	1522.38
5	Engineering Contractors (10)	503.86	+1.0	14.21	6.01	8.69	499.11	494.96	498.36	495.85	497.58
6	Mechanical Engineering (64)	225.27	+0.7	10.96	5.36	11.68	223.79	221.80	220.47	220.85	196.37
8	Metals and Metal Forming (11)	187.30	+1.2	10.27	6.13	11.86	185.17	181.53	180.69	182.73	168.68
9	Motors (18)	104.28	+0.6	—	5.18	—	103.68	102.13	101.34	103.34	94.02
10	Other Industrial Materials (17)	456.20	—	7.15	4.91	18.36	456.31	455.96	454.33	456.04	377.78
21	CONSUMER GROUP (201)	438.88	+1.0	9.76	4.13	12.45	434.42	433.81	430.73	436.34	305.59
22	Brewers and Distillers (23)	471.35	+2.5	10.79	4.55	11.32	459.69	460.80	457.19	458.80	359.19
25	Food Manufacturing (21)	344.61	+0.8	13.47	5.55	8.69	341.81	343.07	340.87	343.58	273.34
26	Food Retailing (14)	862.37	+0.6	7.42	2.83	16.98	857.23	854.46	854.36	859.51	611.68
27	Health and Household Products (8)	848.51	−0.2	5.05	2.22	23.54	850.49	847.37	845.30	876.22	434.82
29	Leisure (24)	556.35	+0.9	7.12	4.32	18.41	551.12	550.41	545.90	548.27	445.39
32	Newspapers, Publishing (14)	826.34	+0.6	7.59	3.94	17.26	821.18	821.70	818.27	833.64	525.77
33	Packaging and Paper (14)	157.91	+1.8	13.22	6.29	8.92	155.39	159.41	154.98	162.34	145.84
34	Stores (48)	390.40	+1.7	7.71	3.52	17.26	383.93	376.34	375.61	379.46	280.43
35	Textiles (22)	206.46	+0.3	12.62	5.42	9.40	206.09	206.61	206.44	203.94	173.95
36	Tobaccos (3)	447.82	−0.3	21.35	6.91	5.24	448.25	453.94	444.32	451.49	341.88
39	Other Consumer (10)	389.83	+1.2	6.58	3.72	—	385.40	381.75	380.77	382.12	293.37
41	OTHER GROUPS (79)	355.43	—	8.53	4.64	14.46	355.47	354.12	352.21	355.95	252.80
42	Chemicals (15)	494.94	+0.2	8.09	4.89	15.42	494.15	491.16	486.50	492.97	305.98
44	Office Equipment (6)	108.19	+0.8	8.15	4.98	15.74	107.33	108.04	108.77	111.08	116.39
45	Shipping and Transport (14)	680.60	−0.9	11.11	5.97	10.91	686.60	676.74	666.35	668.72	590.83
46	Miscellaneous (44)	472.31	−0.1	8.38	4.02	14.80	472.64	472.68	472.27	477.34	321.36
49	INDUSTRIAL GROUP (486)	444.13	+0.5	9.04	4.00	13.63	442.03	440.89	437.76	440.85	322.47
51	Oils (14)	883.09	+0.7	12.58	6.63	9.66	876.70	883.15	874.06	881.85	753.97
59	500 SHARE INDEX	480.73	+0.5	9.60	4.42	12.80	478.27	477.78	474.22	477.61	357.54
61	FINANCIAL GROUP (127)	326.48	+0.4	—	5.60	—	325.24	324.47	322.11	324.46	248.31
62	Banks (6)	353.90	+0.9	25.36	6.99	4.37	350.96	348.80	347.00	347.80	267.57
63	Discount Houses (8)	312.57	−1.2	—	7.85	—	316.24	312.74	311.48	313.87	225.13
65	Insurance (Life) (9)	417.02	—	—	5.29	—	412.70	407.60	407.76	422.87	267.89
66	Insurance (Composite) (10)	215.63	+0.4	—	6.96	—	214.70	213.18	211.97	215.16	154.88
67	Insurance Brokers (7)	604.93	+0.3	10.86	4.90	12.62	602.87	603.36	607.38	617.29	408.32
68	Merchant Banks (13)	168.38	+0.4	—	5.16	—	167.67	167.90	169.38	170.54	146.28
69	Property (54)	482.95	+0.2	5.46	3.67	24.36	482.11	483.94	477.15	478.84	426.64
70	Other Financial (14)	250.59	−0.1	10.41	5.32	11.62	250.74	252.01	246.60	248.17	187.68
71	Investment Trusts (109)	419.32	+0.1	—	4.66	—	418.89	419.79	418.94	421.09	296.78
81	Mining Finance (4)	283.61	−0.2	7.26	5.01	18.78	284.29	287.16	285.29	284.60	234.99
91	Overseas Traders (16)	457.15	+0.4	9.83	7.98	15.73	455.32	450.38	445.30	448.78	374.27
99	ALL-SHARE INDEX (750)	441.51	+0.4	—	4.65	—	439.54	439.16	436.04	439.09	328.36

FIXED INTEREST

	PRICE INDICES	Wed April 27	Day's change %	Tues April 26	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	117.22	−0.04	117.26	—	3.99
2	5-15 years	129.88	−0.05	129.95	—	4.77
3	Over 15 years	139.49	−0.06	139.57	—	4.61
4	Irredeemables	146.00	−0.22	146.32	—	6.07
5	All Stocks	128.67	−0.05	128.74	—	4.58
6	Debentures and Loans	103.67	+0.02	103.64	—	3.37
7	Preference	80.54	+0.34	80.26	—	2.59

	AVERAGE GROSS REDEMPTION YIELDS		Wed April 27	Tues April 26	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	9.29	9.27	12.05
2		15 years	10.12	10.11	12.98
3		25 years	10.00	9.98	12.91
4	Medium Coupons	5 years	11.18	11.16	14.20
5		15 years	10.91	10.89	14.05
6		25 years	10.33	10.32	13.53
7	High Coupons	5 years	11.23	11.19	14.14
8		15 years	11.08	11.07	14.22
9		25 years	10.46	10.47	13.76
10	Irredeemables †		9.96	9.94	12.62
11	Debs & Loans	5 years	12.09	12.10	15.84
12		15 years	12.18	12.18	14.93
13		25 years	12.10	12.10	14.86
14	Preference †		12.26	12.27	15.44

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

RISES AND FALLS

	Rises	Falls	Same
British Funds	13	40	45
Corpns. Dom. and Foreign Bonds	13	—	65
Industrials	439	182	718
Financial and Prop.	143	46	330
Oils	32	28	53
Plantations	8	1	13
Mines	33	47	73
Others	94	34	57
Totals	774	378	1,354

FINANCIAL TIMES STOCK INDICES

	April 27	April 26	April 25	April 22	April 21	April 20	year ago
Government Secs.	81.60	81.71	81.60	81.24	81.60	81.64	67.70
Fixed Interest	83.71	83.72	83.72	83.87	84.04	84.03	68.00
Industrial Ord.	699.0	695.2	693.3	688.0	692.0	678.2	575.3
Gold Mines	647.4	644.3	655.1	643.9	649.2	626.1	252.8
Ord. Div. Yield	4.47	4.49	4.51	4.54	4.52	4.60	6.49
Earnings, Yld.% (full)	9.13	9.16	9.20	9.26	9.20	9.35	10.89
P/E Ratio (net) (*)	13.26	13.22	13.17	13.08	13.18	12.98	11.62
Total bargains	23,862	22,509	23,300	25,702	23,858	23,500	15,267
Equity turnover £m.	—	220.65	212.03	272.80	302.11	320.47	129.1
Equity bargains	—	21,251	25,787	25,175	22,875	21,262	13,331
Shares traded (ml)	—	123.1	130.2	175.9	188.7	205.4	106.5

10 am 704.1. 11 am 700.3. Noon 700.9. 1 pm 701.3.
2 pm 700.6. 3 pm 700.4.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/55. SE Activity 1974.

Latest Index 01-246 8026.

Nil=12.42.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	82.75 (11/4)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.36 (18/4)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	699.0 (27/4)	598.4 (12/1)	699.0 (27/4/83)	49.4 (26/6/40)
Gold Mines	734.7 (15/2)	531.5 (29/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	April 26	April 25
Daily		
Gilt Edged Bargains	168.6	159.5
Equities Bargains	137.7	167.1
Value	446.0	428.6
5-day Avrge		
Gilt-Edged Bargains	156.0	155.8
Equities Bargains	150.8	156.4
Value	536.9	596.4

Indices

NEW YORK—DOW JONES

	Apr 27	Apr 26	Apr 25	Apr 22	Apr 21	Apr 20	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	1208.4	1209.46	1187.21	1196.3	1198.27	1191.47	1209.46 (26/4)	1027.04 (3/1)	1209.46 (26/4/83)	41.22 (2/7/32)
Transport	517.30	523.98	518.82	527.24	531.13	531.53	531.53 (20/4)	434.24 (3/1)	531.53 (20/4/83)	12.23 (8/7/32)
Utilities	127.17	128.43	128.82	127.17	127.49	128.85	129.04 (7/3)	119.46 (3/1)	163.32 (20/4/69)	10.50 (28/4/42)
Trading vol 000's†	11814	9725	9815	8227	10017	11824	—	—	—	—

	Apr 22	Apr 15	Apr 8	(Year Ago Approx)
Ind div yield %	4.80	4.59	4.86	6.47

STANDARD AND POORS

	Apr 27	Apr 26	Apr 25	Apr 22	Apr 21	Apr 20	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Industrials	181.11	181.83	177.91	178.7	179.17	180.08	181.83 (26/4)	154.95 (3/1)	181.83 (26/4/83)	3.52 (30/6/32)
Composite	161.44	161.81	158.81	160.42	160.05	160.71	161.81 (26/4)	138.34 (3/1)	161.81 (26/4/83)	4.4 (1/6/32)

	Apr 20	Apr 13	Apr 6	Year Ago (Approx)
Ind div yield %	4.04	4.14	4.38	5.72
Ind. P/E Ratio	13.75	13.40	12.94	7.75
Long Gov Bond Yield	10.44	10.41	10.48	12.92

N.Y.S.E. ALL COMMON

Apr 27	Apr 26	Apr 25	Apr 22	1983 High	1983 Low
92.68	92.83	91.28	92.15	92.83 (26/4)	79.79 (3/1)

RISES AND FALLS

	Apr 27	Apr 26	Apr 25
Issues traded	1919	1920	1913
Rises	825	827	573
Falls	784	537	1021
Unchanged	310	356	319

MONTREAL

[illegible]

TORONTO

[illegible]

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

[illegible]

R—R—R

[illegible]

S—S—S

[illegible]

T—T—T

[illegible]

U—U—U

[illegible]

V—V—V

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
7	1⅞	Verna	1.23t	58.		15	2⅛	2	2⅛	+ ⅛
16¼	7⅛	Vernit	.12	.8	15	124	14⅝	14⅛	14½	+ ⅛
4⅛	2⅞	Vertple	.05	1.1		9	4½	4½	4½	
11½	2⅛	Viatech			10	45	8⅞	8	8⅞	+ ½
15⅞	4⅞	Vicon			29	68	13⅞	13⅛	13¾	+ ⅛
[illegible]										

W—W—W

[illegible]

X—Y—Z

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
17⅞	5½	YankO			15	340	[illegible]	[illegible]	[illegible]	[illegible]
15¼	5	Zimer	s.10	.7	33	187	[illegible]	[illegible]	[illegible]	[illegible]

NEW YORK CLOSING PRICES

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COMMODITIES AND AGRICULTURE

New Zealand dairy chief urges trade co-operation

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

A DAIRY trade war between the U.S. and the EEC would bring a collapse in export prices and could be fatal for New Zealand's dairy industry and its economy, Mr Jim Graham, chairman of the New Zealand Dairy Board, said in London yesterday.

The EEC, the U.S. and New Zealand should get together to seek solutions to the over-supply problem, he added.

Until recently, the EEC and New Zealand had co-operated to manage the market, but the surge in milk production stimulated by price guarantees seemed to have got out of hand, he said.

Mr Graham discounted the possibility of large exports to the Soviet Union which was already the world's largest dairy producer and imported only about 8 per cent of its requirements.

New Zealand dairy farmers would be prepared as a last resort to accept a two-tier system of payment for milk with a price penalty for that produced over market demand, Mr Graham said. However, such a development could be tolerated only as part of a concerted policy of market management in which the EEC and the U.S. participated.

Mr Graham underlined the difficulties facing the world's milk market, with production expanding everywhere and fewer viable markets.

For this reason, any reduction or elimination of New Zealand's EEC butter quota of 87,000 tonnes would increase competition with the EEC on the world dairy markets, he added.

Stocks in the U.S. were of particular concern — 180,000 tonnes of butter, 350,000 tonnes of cheddar cheese and 560,000 tonnes of skim milk powder.

The Cheddar cheese stock in the U.S. stands at five times the annual world trade in cheese of 70,000 tonnes. This, too, is particularly worrying for New Zealand because the Japanese market to which they send cheese is under great pressure from outside supplies.

Mr Graham said that faced with the impossibility of finding export markets, the only options were greater domestic disposal and the restriction of supplies.

However, Mr Graham applauded the EEC's co-responsibility levy and its subsidised disposal of skim milk powder for animal feed—a policy he recommended for the U.S.

● EEC officials are reported to be drafting a letter asking the British Government to justify the activities of the Milk Marketing Board, monopoly buyer of milk from British farmers.

The EEC Commission could take Britain before the European Court for breach of Common Market rules unless Britain is able to justify the board's activities.

An earlier EEC challenge to the operation of the MMB was resisted successfully but guidelines agreed then now appear to have been breached because the MMB is no longer able to dispose of more than half the milk it buys on the liquid market.

Official complaints about the MMB's pricing arrangements, under which a liquid milk premium subsidies sales for manufacturing, have been lodged by the French and Irish Dairy trades.

Congress proposal to curtail tax advantages

By Nancy Dunne in Washington

LEGISLATION eliminating favourable tax treatment for investors in off-shore commodity funds, is expected to be introduced in Congress this week by Mr Fortney H. Stark, chairman of the select revenues sub-committee.

About half a dozen public funds and many more pools and trading advisers have set up business in off-shore tax havens to avoid or reduce their U.S. taxes.

U.S. commodity investors must pay a 32 per cent tax on earnings on all futures markets investments each year, even if the holding has not yet been sold off. By investing in off-shore funds for more than a year, traders need pay only a 20 per cent long-term capital gains tax.

Congressman Stark, who has said he plans to be "a little *punitive*," *intends* to introduce legislation backdated to April 15. The Bill will face fierce opposition, not only from the commodities industry but also from those involved in securities, who also make use of *foreign tax havens*.

● **SOUTH AFRICA** is to seek tenders for imports of about 1.5m tonnes of yellow maize. The imports, the first South Africa has needed since the mid-1960s, are necessary because of drought which devastated the domestic maize crop.

● **FRENCH MAIZE** deliveries this season are likely to total 8.8m tonnes against 7.4m in 1981-82, the Grain Intervention Board said. The board's estimate of soft wheat deliveries remains at 21.8m tonnes (19m) and its barley forecast at 6.2m tonnes (6m).

● **ISRAELI** avocado shhipments *are likely to reach 50,000 tonnes* this season compared with 32,000 tonnes last season. Prices averaged $1,000 per tonne f.o.b. compared with $1,280 a year earlier.

● **LONDON COCOA** dealer Woodhouse, Drake and Carey raised its forecast of the 1982-83 world cocoa production deficit to 84,000 tonnes from 43,000 tonnes estimated in January. The increase reflected a drop in West African output early this year because of bad weather.

TANZANIAN FARMING

Tackling a crops crisis

BY MICHAEL HOLMAN, RECENTLY IN DAR ES SALAAM

THE TANZANIAN Government is attempting to revive its flagging agricultural sector with a White Paper setting out major reforms, including encouragement of private commercial *farms*.

The paper is seen as one of the most important policy documents for years. It is the product of an agricultural task force commissioned in July 1981, under the chairmanship of Professor Simon Mbilinyi, formerly economic adviser to President Julius Nyerere and now Principal Secretary in the Ministry of Agriculture.

Agriculture is critical to Tanzania's efforts to resolve its crippling economic crisis. It earns around 80 per cent of the country's foreign exchange earnings through the six export crops—coffee, cashew nuts, tea, sisal, cotton and pyrethrum—and accounts for half the country's gross domestic product.

Output of all major export crops has fallen, except for coffee and tea, where production has been unchanged although quality has dropped. A World Bank report published last September calculates that Tanzania could have earned an additional $900m between 1973 and 1981 if production of the crops had merely held at previous peaks.

Cashew nut production, for example, has fallen from 120,000 tonnes in 1974-75 when Tanzania was the world's largest *producer to only 40,000 tonnes* by last year.

The bank report is scathing about government shortcomings, in particular the notoriously inefficient state owned companies which market the crops and provide inputs.

The bank also notes the adverse impact of the often compulsory regrouping of peasants in the mid-seventies into new villages to enable better provision of social services and to encourage communal agriculture. The policy "has worsened rather than improved the conditions of many of the country's farmers," says the bank.

"The declining trends in officially marketed crop production clearly demonstrate the reaction of a peasantry which has been economically squeezed, subjected to frequent institutional changes, and coerced into non-voluntary behaviour," says the report. "To prevent their further retreat from the production of export crop . . . it will be necessary to entice the peasants with economic incentives, rather than use exhortation and force."

The Government White Paper is, in part, a response to the World Bank indictment, although the problems had been *acknowledged long before the* report was concluded.

The paper sets out a range of institutional changes in which the role of the state-run organisations is reduced, marketing of crops made easier, and land tenure changed to allow 33-year individual leases. There is also a commitment to regular reviews of producers prices (which declined 50 per cent in real terms in the seventies), better planning, easier access to inputs and greater investment in the sector.

Private commercial farmers are promised they will be treated in the same way as publicly-owned enterprises as far as foreign exchange is concerned.

In particular, major agricultural exporters, private and state owned, will be allowed to open external accounts in which a portion of their export earnings can be placed and used for buying spare parts and other inputs. Such accounts have already been opened by the coffee and sisal authorities.

Although an important concession, the general tenor of the White Paper, however, is firmly in favour of what it calls "an egalitarian agricultural community, based on the policies of socialism and self-reliance."

The final version has also been pruned of much of the critical observations about government performance which marked the draft paper prepared by the task force. In the draft, *for* example, of the 15 reasons for the poor performance in the seventies, only three are external factors frequently blamed by government —weather, low commodity prices and deteriorating terms of trade.

This list is not published in the White Paper. The paper also places considerable importance on the impact of last year's legislation to revive the co-operative movement, which will now play an important role in marketing and the provision of inputs.

Many economists here fear the co-ops will have the bureaucratic inefficiency of the state organisations. The peasant farmers, as usual, have little choice in the matter for they will be obliged to conduct marketing of any substantial amount through the co-ops.

Copper prices pushed up by Chinese buying

By Our Commodities Editor

REPORTS OF further substantial Chinese buying pushed copper prices higher on the London Metal Exchange yesterday. The high-grade cash copper gained £15 to £1,117.5 a tonne and in late trading the three months quotation broke through £1,150.

Estimates of the Chinese purchases vary, but some dealers believe they have now topped 200,000 tonnes altogether. New York values were higher over night, but the bulk of Chinese buying is thought to have been concentrated in London.

Zinc values were also firmer *in early trading following* the move by Canadian and U.S. producers to raise their domestic selling prices, which it is suggested may trigger an increase in the European zinc producer quotation. However, the LME market eased in afternoon trading.

Yogurt makers face Waterford challenge

BY OUR COMMODITIES STAFF

EXPRESS *DAIRIES and Unigate* will face a strong challenge from next month on the British yogurt market—at present dominated by their Ski and Prize brands—from an Irish-made, French-style yogurt.

The challenge comes from Yoplait, which will be marketed by Waterford Foods, the UK subsidiary of the Waterford Co-operative Society.

The Yoplait brand, developed by Sodima, a French farmer co-operative, has achieved brand leadership in Australia and a 20 per cent share of the U.S. market. It also leads the market in Ireland, with a 75 per cent share, and in Northern Ireland with a 46 per cent share, under the Waterford *Co-operative* management. Currently it is sold in more than 30 countries.

Yogurt consumption in Britain, at 17 pots a year on average per person, is well below France's 80 pots. Mr Bob Bardner, general sales manager of Waterford Foods, believes there is great scope for growth. Lack of sustained brand advertising has allowed supermarkets' own label sales to take a 26 per cent share of the UK market, he says.

Waterford plans heavy advertising and will aim to sell Yoplait a whole milke yogurt, at a premium price to avoid severe price-cutting which has been a feature of the UK market.

ACP sugar exporters given warning

BY JOHN EDWARDS, COMMODITIES EDITOR

SUGAR exporters in the African, Carribbean and Pacific (ACP) group will have to fight to protect their interests in the forthcoming International Sugar Agreement negotiations in Geneva, Mr Bernard Boullé, of Mauritius, warned yesterday.

He told a London seminar on the challenge to cane sugar in the 1980s that it had been suggested the next agreement should incorporate the Lomé protocol under which ACP countries supply the EEC with 1.3m tonnes of *cane sugar* annually. Such a change would be highly detrimental to the ACP.

Quotas would be subject to greater cuts; much larger stocks would have to be held; and the ACP countries might lose the benefits of being small exporters.

Looking at the prospects for a new agreement emerging from the three-week talks starting on Monday, Mr Boullé said everyone agreed that no future pact could be viable without the EEC being a member.

The Common Market would *not join an agreement* based on the traditional export quota system, while other countries were far from convinced that the EEC's alternative approach could work effectively.

In essence, the traditional approach and the EEC alternative were like two sides of a coin, Mr Boullé said. The question to be settled in Geneva was how to achieve a compro*mise between heads and tails*.

Meanwhile, in Brussels yesterday the EEC Commission at its weekly selling tender authorised the export of 20,250 tonnes of white sugar with a maximum *rebate of 36.187 European* currency units per 100 kilos. Although the amount authorised for export was slightly above market forecasts, prices dipped only slightly before recovering to close on a higher note.

Dealers said bidding for export licences was subdued, since the current licences covered shipments *only to end-June*, whereas next week a supplementary tender alongside the present series will cover exports up to end-September. Greece participated in the EEC selling tender for the first time, with *export authorisations of 5,000* tonnes.

PRICE CHANGES

In tonnes unless stated otherwise	Apr. 27 1983	+ or —	Month ago
Metals			
Aluminium	£880		£810/815
Free Mkt	$1580/1590		$1550/560
Copper			
Cash h grade	£1117.5	+15	£1116.5
3 mths	£1145.75	+15	£1150.75
Cash Cathode	£1091	+10	£1095.5
3 months	£1117.5	+8.5	£1127.5
Gold troy oz	$431.5	—4.5	$418
Lead Cash	£295.5	+0.5	£316
3 months	£306.25		£328.125
Nickel	£4853		£4611
Free mkt	210/240c		220/260c
Palladium	$126.00	+0.75	$102.00
Platinum	£267.40	+0.25	£272.95
Quicksilver†	$280/300		$320.335
Silver troy oz	784.85p	+8.15	730.85p
3 mths	803.75p	+8.20	748.25p
Tin cash	£8837.5	+35	£9250.5
3 month	£8775.5	+34	£9276.5
Tungsten	$83.22		$85.75
Wolfrm 22.04 lb	$89/91		$90/92
Zinc Cash	£455.25	+2.25	£473
3 mths	£479.5	+1.875	£486.75
Producers	$750		$750

	Apr. 27 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$595y		$515
Groundnut	‡		‡
Linseed Crude	‡		‡
Palm Malayan	$435x	+2.5	$397.5
Seeds			
Copra Phili	$395y	+5	$335
Soyabean (U.S.)	$264.50z	+0.8	$258
Grains			
Barley Fut. Sep	£110.60	—0.4	£111.50
Maize	£146.00z		‡
Wheat Fut. Jul	£137.10		£139.60
No2 Hard Wint	‡		‡
Other commodities			
Cocoa ship't*	£1350	—1.5	£1229
Fut. July	£1309.5	+4	£1293.5
Coffee Ft. July	£1575	+8.5	£1940.5
Cotton A. Index	80.40c	—0.2	79.70c
Gas Oil May	$247.5	—0.25	$235.25
Rubber (kilo)	73p		79p
Sugar (Raw)	£120wx	+1	£115
Woolt'ps 64s.	394p kilo		408p kilo

‡ Unquoted. z May. x June. y May-June. v April-June. w April-May. † Per 76-lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.90	+0.05
Iranian Light	28.05-28.15	+0.05
Arabian Heavy	26.10-26.25	—0.03
North Sea (Forties)	29.75	+0.05
North Sea (Brent)	30.00	+0.06
African (Bonny Li'ht)	29.95-30.05	+0.03
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	311-313	+0.5
Gas oil	248-254	—
Heavy fuel oil	164-166	—

GAS OIL FUTURES

Weaker physicals and an easier U.S. close brought the market in a shade lower. Prices dropped quickly to the lows before settling into a narrow range in light volume. A steadier New York initiated firmness and more activity later in the day, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
April	249.00	—2.00	249.00
May	247.50	—0.25	247.50-45.00
June	246.75	+1.00	248.75-43.00
July	246.50	+1.50	248.50-43.25
Aug	248.50	+1.75	248.25-45.00
Sept	250.00	+1.25	250.00-46.50
Oct	253.25	+1.75	252.50-48.50
Nov	255.75	+1.50	252.50-52.00
Dec	257.50	+0.25	255.75

Turnover: 2,219 (1,943) lots of 100 tonnes.

GOLD MARKETS

Gold fell $4½ an ounce from Tuesday's close in the London bullion market yesterday to finish at $431-432. The metal opened at $437¼-438¼ and traded between a low of $430-431 and a *high of $437¼-438¼*, touched at the opening. After a firmer start gold fell away during the day in quiet trading.

In Paris the 12½ kilo bar was fixed at FFr 103,000 per kilo ($435.45 per ounce) in the afternoon compared with FFr 103,000 ($435.86) in the morning and FFr 103,000 ($435.80) on Tuesday afternoon.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
May	432.30-32.7	—4.480	—
June	436.00-38.5	—4.150	441.75-35.5
July	439.00-39.5	—4.350	443.80-43.7
August	442.50-43.5	—3.850	—
Sept	445.00-46.5	—4.800	—
Oct	448.50-49.5	—4.450	—
Nov	451.50-53.0	—4.450	—

Gold Bullion (fine ounce)	April 27		April 26	
Close	$431-432	(£275¾-276)	$435½-436½	(£276¾-277½)
Opening	$437½-438½	(£278-278¾)	$436-437	(£277¼-278)
Morning fixing	$435.50	(£278.700)	$435.25	(£276.865)
Afternoon fixing	$434.25	(£277.423)	$435.50	(£276.824)

Gold Coins Apr. 27					
Krugrnd	$445-446	(£284¼-284¾)	King Sov	$104-106	(£66½-68)
½ Krg	$237-238	(£151½-152)	Victoria Sov	$104-106	(£66½-68)
¼ Krg	$121-122	(£77¼-78)	French 20s	$90-92	(£57½-58¾)
1/10 Krug	$49½-50½	(£31¾-32¼)	50 pesos Mex	$536-539	(£342¼-344¼)
Mapleleaf	$444-446	(£283½-284¼)	100 Cor. Aust	$424-428	(£270¾-270½)
New Sov	$102-103¾	(£65¼-65¾)	$20 Eagles	$570-580	(£364-370¼)
½ New Sov	$61-62	(£39-39½)			

EUROPEAN MARKETS

ROTTERDAM, April 27.

Wheat—(U.S. $ per tonne): U.S. Two red winter May 160, June 158, July 156, Aug 157.50, Sept 160. U.S. Two northern spring 14 per cent protein May 189, June 184, July 181, Aug 179. U.S. Three amber durum April/May 193, May 192, June 190, July 187, Aug 185 Canadian western spring April/May 10 209.

Maize (U.S. $ per tonne): U.S. Three yellow afloat 149, May 148, June 148.25, July/Sept 146, Oct/Dec 139, Jan/Mar 144 sellers.

Soyabeans (U.S. $ per tonne): U.S. Two yellow gulfports May 258.30, June 259.25, July 261.50, Aug 264, Sept 266, Oct 268, Nov 268, Dec 271, Jan 275.25, Feb 279.50, Mar 282 sellers. Paraguayan May 255 sellers.

Soyameal (U.S. $ per tonne): 44 per cent afloat 222, April 224, May 224, May/Sept 226, Nov/Mar 241 sellers. Pellets Brazil afloat 226, April 226, May 226, May/Sept 230, June/Sept 231 sellers. Pellets Argentine afloat 228, May 226, June 226, June/Sept 224.5 sellers.

PARIS, April 27.

Cocoa—(FFr per 100 kg): May 1460/1465, July 1475 bid, Sept 1555/1560, Dec 1566/1569, Mar 1615 asked, May 1635 asked, July 1615 bid.

BRITISH COMMODITY MARKETS

BASE METALS

Copper prices continued to gain ground on the London Metal Exchange as renewed influential demand, rumoured to have been on behalf of Chinese interests boosted forward metal to £1,153.5 before a close of £1,149.5. Zinc prices rose to £484, three months, in initial trading, but the quotation fell back to close at £478.5 owing to profit-taking.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	1116-7	+15.7	1117-8	+15
3 months	1144.5-5	+16	1145.5-6	+15
Settlem't	1117	+16	—	
Cathodes				
Cash	1091-2	+14.7	1090-2	+16
3 months	1117-8	+11.2	1117-8	+8.5
Settlem't	1092	+15	—	
U.S. Prod.	—		*79-83	

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £1,146, 47, 47.50, 47, 46.50, 45, 44.50, 44, 44.50, 45, 45.50, 45, 44.50. Cathodes: Cash, three months £1,118. Kerb: Higher Grade: Three months £1,145, 46, 45, 45.50, 46, 46.50, 47. Afternoon: Higher Grade: Three months £1,148, 47, 46, 45, 45.50, 46. Cathodes: Three months £1,117. Kerb: Higher Grade: Three months £1,146, 46.50, 47, 48, 47.50, 48, 49, 50, 51, 51.50, 52, 52.50, 53, 53.50, 53, 51, 51.50, 51, 50, 50.60, 49. Turnover: 44,800 tonnes.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grde	£	£	£	£
Cash	8850-5	+81	8835-40	+35
3 months	8790-5	+54	8775-6	+34
Settlem't	8855	+85	—	
Standard				
Cash	8850-5	+87	8835-40	+35
3 months	8790-5	+54	8775-6	+34
Settlem't	8855	+85	—	
Straits E.	$851.65		—	
New York	—		—	

Tin—Morning: Standard: Cash £8,850, 60, three months £8,780, 8,800, 10, 15, 25 15, 8,800, 8,790, 88, 8,800, 8,795. Kerb: Standard: Three months £8,790, 80. Afternoon: Standard: Cash £8,830, three months £8,780. Standard: Kerb: Three months £8,775. Turnover: 1,300 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	296.5-7	+1.25	295-6	+.5
3 months	307-.5	+1	306-.5	
Settlem't	297	+1	—	
U.S. Spot	—		*21-24	

Lead—Morning: Three months £308, 07.50. Kerb: Three months £307.50, 07, 07.50. Afternoon: Three months £308, 07, 06.50. Kerb: Three months £306, 06.50, 07, 06. Turnover: 6,425 tonnes.

ZINC

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	460-7	+5.25	454.5-6	+2.25
3 months	481-.5	+6	479-80	+1.87
Settlem't	467	+5.5	—	
Primw'ts	—		*38-40.5	

Zinc—Morning: Three months £485, 84.50, 84, 83.50, 83, 82, 82.50, 82, 81.50. Kerb: Three months £481.50, 81. Afternoon: Three months £481, 80.50, 80, 80.50, 80. Kerb: Three months £479, 78, 79, 81, 80, 80.50, 80, 79, 78. Turnover: 11,425 tonnes.

ALUMINIUM

Aluminim	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Spot	880.5-1	+6.5	879-80	+5
3 months	907-.5	+6.25	905.5-6	+5.5

Aluminium—Morning: Three months £908, 07.50, 07. Kerb: Three months £907.50, 07. Afternoon: Three months £907, 06.50, 07, 08, 05.50, 06, 05, 06. Kerb: Three months £906, 07, 08, 07. Turnover: 11,026 tonnes.

NICKEL

NICKEL	a.m. Official	+ or —	p.m. Unofficial	+ or —†
Spot	3085-90	+3	3105-10	+50
3 months	3172-5	+1	3190-5	+58.5

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

Nickel — Morning: Three months £3,190, 95, 3,200, 3,195, 90, 85, 80, 75, 70, 72. Kerb: Three months £3,175. Afternoon: Three months £3,195, 3,200, 3,195, 90. Kerb: Three months £3,180, 3,195, 3,200, 10, 05, 3,200. Turnover: 930 tonnes.

SILVER

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unofficial	+ or —
Spot	784.85p	+8.15	781.00p	+4
3 months	803.75p	+8.20	800.25p	+4.75
6 months	822.30p	+7.50	—	
12 months	860.20p	+7.40	—	

Silver was fixed 8.15p an ounce higher for spot delivery in the London bullion market yesterday at 784.85p. U.S. equivalents of the fixing levels were: spot $12.31, up 11.2c; three-month $12.577, up 11.5c; six-month $12.862, up 10.9c; and 12-month $13.432, up 10.5c. The metal opened at 782-784p ($12.31-$12.35) and closed at 778-780p ($12.18-$12.22).

COCOA

COCOA	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1282-85	—3.0	1288-70
July	1309-10	+4.0	1311-91
Sept	1317-18	+4.5	1319-99
Dec	1330-31	+1.5	1335-10
March	1343-45	—	1346-30
May	1355-58	+4.0	—
July	1360-75	+1.5	—

Sales: 4,729 (5,022) lots of 10 tonnes.

ICCO—Daily price for April 27: 90.17 (90.16). Indicator prices for April 28: 88.87 (88.14).

COFFEE

Following a slightly easier opening prices rallied on keen trade and dealer buying, reports Drexel Burnham Lambert. Despite persistent commission house pressure, values, with the *exception of near-by May*, were able to sustain the earlier gains as support was maintained.

COFFEE	Yest'day's Close	+ or —	Business Done
May	1840-45	—2.5	1858-30
July	1674-76	+8.5	1679-57
Sept	1583-86	+11.5	1593-66
Nov	1537-39	+12.0	1537-20
January	1503-06	+15.5	1502-90
March	1472-74	+13.0	1470-59
May	1450-59	+14.0	1450-45

Sales: 2,349 (2,609) lots of 5 tonnes.

ICO Indicator prices for April 26 (U.S. cents per pound): Comp. daily 1979 123.53 (124.72); 15-day average 122.72 (122.62).

GRAINS

Mnth.	WHEAT Yesterd'ys close	+ or —	BARLEY Yest'd'ys close	+ or —
May	135.70	—	119.40	+0.40
July	137.10	—	—	—
Sep	117.40	—0.45	110.60	—0.40
Nov	120.10	—0.40	114.05	—0.35
Jan	123.35	—0.15	117.20	—0.40
May	126.10	—0.40	120.05	—0.35

Business done—Wheat: May 135.90-5.70, July 137.35-7.10, Sept 117.75-7.40, Nov 120.35-19.95, Jan 123.35 only, Mar 126.50-6.15. Sales: 228 lots of 100 tonnes. Barley: May 119.50 only, Sept 110.95-10.60, Nov 114.40-4.30, Jan 117.60-7.20, Mar 120.50-20.40. Sales: 94 lots of 100 tonnes.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1, 14 per cent: May 131.50, June 129.25, July 128.25, Aug 125.50, transhipment East Coast sellers. Maize: French: May 146 transhipment East Coast seller. Barley: English feed, fob: Aug 112.50, Scottish: Aug 111.50, Oct 116.25. Rest unquoted.

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 136.00, N. East 135.70. Feed barley: E. Midlands 122.80, N. East 124.80, Scotland 121.20. The UK monetary coefficient for the week beginning Monday May 2 is expected to remain unchanged.

POTATOES

May 1983 fell as the PMB report figures were digested, with low Dutch levels contributing to the early decline. New crops were quiet, initially firmer but easing back later, reports Coley and Harper.

Month	Yesterd'y close	Previous close	Business Done
	£ per tonne		
May	62.50	65.80	64.40-62.50
Nov	71.50	72.30	72.80-71.50
Feb	80.50	81.80	81.80
April	92.40	93.50	94.50-92.80
May	100.10	100.80	101.5-98.80

Turnover: 499 (482) lots of 40 tonnes.

RUBBER

The physical market opened sharply lower, attracted some buying interest at the lower levels and closed steadier. Lewis and Peat reported a May fob price for No 1 RSS in Kuala Lumpur of 246.5 (255.60) cents a kg and SMR 20 227.0 (230.5).

No. 1 R.S.S.	Yesterdys close	Previous close	Business Done
	£ per tonne		
June	735-750	735-740	—
July	736-737	737-740	736
Jly-Sept	735-737	739-740	735-715
Oct-Dec	739-740	742-743	742-726
Jan-Mch	759-760	762-754	762-746
Apl-Jne	778-780	781-782	—
Jly-Sept	800-801	802-803	802-796
Oct-Dec	820-821	823-824	821-815
Jan-Mch	841-842	842-345	848

Sales: 318 (825) lots of 15 tonnes: 1 (nil) lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 73.00p (same); June 73.50p (74.00p); July 73.75p (74.25p).

SOYABEAN MEAL

The market opened £1.00 up on weaker sterling, reports T. G. Roddick. Prices remained at opening levels in mixed trade.

	Yesterdy's close	+ or —	Business Done
	£ per tonne		
June	148.00-48.5	+0.75	148.40-46.00
August	147.80-48.0	+0.75	148.00-47.00
October	152.10-52.2	+1.20	152.80-51.00
Dec	157.70-58.0	+1.50	157.60-57.50
Feb	162.00-62.5	+1.50	—
April	162.00-63.2	+1.65	162.00
June	155.00-65.0	+1.25	—

Sales: 85 (285) lots of 100 tonnes.

SOYABEAN OIL—The market opened $3.00-$4.00 higher in dull trade and found support on trade buying. Close (U.S. $ per tonne): June 446.00, 447.00, 447.00; Aug 457.00, 458.00, 458.00-451.00; Oct 468.50, 470.00, 469.00-468.00; Dec 476.00, 483.00, untraded; Feb 486.00, 496.00, u/t; April 496.00, 509.00, u/t; June 507.00, 521.00, u/t. Sales: 45 (1) lots of 25 tonnes.

SUGAR

LONDON DAILY SUGAR—Raw sugar £120.00 (£19.00) a tonne cif April-May-June shipment. White sugar £144.50 (same). The market again failed to *hold the first traded levels* due to scattered selling. Following a very weak New York opening further losses occurred but short-covering lifted quotations again at the close, reports C. Czarnikow.

No. 4 Contract	Yesterday close	Previous close	Business done
	£ per tonne		
May	127.00-27.25	129.50-29.55	128.00-23.00
Aug	135.60-35.70	134.40-35.00	137.25-34.25
Oct	142.00-42.00	141.60-41.75	144.50-41.25
Dec	148.00-48.75	147.80-47.75	149.00-48.50
March	156.50-56.75	155.20-55.70	157.80-55.00
May	159.50-61.00	158.50-60.25	160.50

Sales: 4,365 (4,958) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £405.90 (same) a tonne for home trade and £226.40 (£225.50) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for April 26: Daily price 7.38 (7.30); 15-day average 6.57 (6.53).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 565.5, 568.0, 570.0-567.0; July 589.5, 590.0, 594.0-590.0; Oct 578.0, 579.0, 580.0-579.0; Dec 587.0, 588.0, 589.0-588.0; March 609.0, 610.0, 610.0; May 620.0, 625.0, untraded; July 631.0, 635.0, untraded; Oct 625.0, 632.0, untraded. Sales: 115.

LONDON NEW ZEALAND CROSSBREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. May 428, 435, 433; Aug 439, 442, 448-442; Oct 442, 444, 450-446; Dec 444, 448, 450-446; Jan 446, 450, 453-448; Mar 457, 460, 463-458; May 463, 468, 467-465; Aug 473, 482, 481-476; Oct 478, 485, 487. Sales: 59.

COTTON

LIVERPOOL—Spot and shipment sales amounted to 174 tonnes. Activity was more animated, with additional business recorded in various American-type growths. *Specialist supplies in Middle* Eastern styles again attracted attention.

INDICES

FINANCIAL TIMES

Apr. 26	Apr. 25	M'th ago	Y'ar ago
272.43	272.45	275.93	247.51

(Base: July 1 1952=100)

REUTERS

Apr. 27	Apr. 26	M'th ago	Y'ar ago
1767.9	1764.4	1766.5	1611.0

(Base: September 18 1931=100)

MOODY'S

Apr. 26	Apr. 25	M'th ago	Y'ar ago
1049.0	1047.1	1042.3	1014.5

(December 31 1931=100)

DOW JONES

Dow Jones	Apr. 26	Apr. 25	Month ago	Year ago
Spot	142.21	141.65	138.16	127.17
Fut'rs	147.46	147.29	145.86	131.84

(Base: December 31 1974=100)

MEAT/FISH

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: shelf cod £6.00-£7.00, codling £3.50-£5.50; large haddock £5.00-£5.60, medium £4.20-£5.00, small £2.60-£3.40; large plaice £4.60, medium £3.60-£4.20, best small £3.70-£5.40; skinned dogfish (large) £7.00, (medium) £3.50-£4.00; lemon sole (large) £9.50, (medium) £5.50; rockfish £1.60-£2.40; saithe £1.60.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 93.67p per kg lw (—0.36). GB—Sheep 232.09p per kg est dcw (+24.30). GB—Pigs 64.95p per kg lw (+0.70).

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported produce: Topaz—Jaffa: 3.85-4.60. Karas—Spania: 5.40-6.00. Tangors—Jaffa: 5.00-6.50. Oranges—Jaffa: Shamouti 40 5.50, 50 5.80, 60 6.35, 75 6.55, 88 6.65, 105 6.40, 123 6.40, 144 6.00, 168 5.70; Valencia Lates 40 5.50, 168 4.80; Moroccan: Valencia Lates 5.60-6.80; Cyprus: Valencia Lates 4.00-6.40. Lemons—Cyprus: 9-kg 2.60-3.60; Spania: tray 5-kg 25/50 1.40-2.00; Jaffa: carton 3.00-5.00; Outspan: carton 5.00-5.50. Grapefruit—Cyprus: 23/56 3.20-4.30; Jaffa: 27 4.50, 32 4.65, 36 4.95, 40 5.00, 48 5.20, 56 5.20, 64 5.00, 75 4.60, 88 4.35; U.S.: Ruby 7.50-9.00 according to size. Apples—New Zealand: Cox's 10.00-12.50, Gala 9.00-9.00, Red Gala 10.00-10.50; Cpe: 18-kg Golden Delicious 8.00-9.50, Starking/Starkcrimson 8.0-9.50, Granny Smith 9.00-10.50; U.S.: Red Delicious 11.00-14.00; Chilean: Granny Smith 18-kg 8.00-9.00.

AMERICAN MARKETS

NEW YORK, April 27.

PRECIOUS METALS came under heavy *pressure* after both gold and silver failed to respond to the strength in financial instruments; long liquidation and technical selling followed depressing prices further. Heating oil prices rallied sharply as the trade was concerned about availability of spot supplies for the liquidation of the May futures where the open position is still moderately high. Copper continued to firm on reports of further Chinese purchases. Cocoa prices were moderately lower as producer selling was not met by active interest on the part of the trade. Coffee prices closed slightly higher as initial roaster and dealer interest in anticipation of the Brazilian frost season helped the market. Sugar prices declined as a result of liquidations ahead of the expiratoin of the May futures and in anticipation of an Indian tender. The soyabean market came under heavy speculative *pressure with local selling* and commission house sell stop liquidation and closed sharply lower. Maize found limited support as profit-taking overcame light speculative buying.

NEW YORK

COCOA 10 tonnes, $/tonnes

	Close	High	Low	Prev
May	1855	1871	1848	1875
July	1882	1910	1874	1900
Sept	1892	1918	1886	1910
Dec	1922	1946	1912	1939
March	1943	1960	1935	1959
May	1964	—	—	1980
July	1989	—	—	2005

COFFEE "C" 37,000 lb. cents/lb

	Close	High	Low	Prev
May	124.95	125.40	124.60	124.50
July	125.61	125.90	125.50	125.32
Sept	123.60	123.70	123.40	—
Dec	122.60	122.85	122.10	122.25
March	120.19	120.30	119.10	119.03
May	117.63	117.20	117.05	116.75
July	114.80	—	—	114.08
Sept	113.50	113.50	112.90	113.00

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
May	78.45	78.70	77.60	77.90
June	79.20	—	—	78.65
July	79.95	80.30	77.90	79.45
Sept	81.30	81.60	80.30	80.80
Dec	83.05	83.50	82.36	82.65
Jan	83.60	83.70	83.10	—
March	84.75	85.25	84.25	84.35
May	85.90	86.00	85.60	85.50
July	87.05	86.60	86.40	—
Sept	88.15	88.05	87.80	87.80

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	71.13	71.36	70.60	70.70
July	71.32	71.65	70.60	71.77
Oct	72.00	72.15	71.77	71.70
Dec	72.00	72.24	71.40	71.95
March	73.17	73.30	72.75	73.20
May	73.80	74.30	74.15	73.60
July	74.50	74.50	74.20	74.50
Oct	74.19	76.05	75.05	74.00

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
May	432.0	438.0	431.0	439.1
June	435.0	440.7	432.5	442.3
August	441.5	447.0	439.5	—
Oct	448.2	455.0	447.0	455.8
Dec	455.0	461.0	453.8	463.0
Feb	462.1	467.2	467.2	470.3
April	469.4	475.0	468.0	438.8
June	476.8	482.5	476.0	485.2
August	484.4	490.5	490.5	492.9
Oct	492.3	499.0	499.0	500.9
Dec	500.3	502.5	499.0	509.0
Feb	508.6	—	—	517.4

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Close	High	Low	Prev
May	83.98	84.25	83.60	83.51
Jun	81.02	81.40	80.50	80.53
July	80.09	80.50	79.60	79.56
August	80.44	80.70	79.80	79.86
Sept	81.15	81.60	80.75	—
Oct	82.00	82.25	81.75	81.50
Nov	82.85	83.30	82.70	82.30
Dec	83.65	83.60	83.00	—
Jan	84.05	—	—	83.50

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
May	113.70	113.85	113.60	113.60
July	113.10	113.25	112.80	113.25
Sept	111.50	111.65	111.45	111.65
Nov	107.50	107.75	107.50	107.75
Jan	102.20	102.50	102.15	102.30
March	102.00	102.25	102.00	101.95
May	101.95	102.00	102.00	101.95
July	101.95	—	—	101.95
Sept	101.95	—	—	101.95

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
July	425.5	431.5	525.0	431.1
Oct	432.0	437.5	431.0	437.6
Jan	441.0	447.0	444.0	446.6
April	450.0	453.0	453.0	424.0

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
May	1193.0	1237.0	1183.0	1233.0
June	1203.0	1244.7	1230.0	1243.0
July	1213.0	1257.0	1203.0	1253.0
Sept	1232.3	1277.0	1229.0	1272.6
Dec	1262.0	1307.0	1260.0	1302.0
Jan	1271.7	—	—	1313.0
March	1291.2	1335.0	1288.0	1333.0
May	1310.7	1352.0	1339.0	1353.0
July	1330.2	—	—	1373.0
Sept	1350.7	1394.0	1385.0	1394.0

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	7.64	7.97	7.50	7.98
July	7.92	8.21	7.91	8.22
Sept	8.29	8.53	8.28	—
Oct	8.59	8.82	8.58	8.82
March	9.53	9.75	9.51	9.76
May	9.74	10.00	9.73	10.00
July	9.99	10.07	9.97	10.25
Sept	10.35	10.35	10.20	10.45

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
June	66.22	67.45	66.15	67.30
August	63.30	64.47	63.20	64.10
Oct	60.70	61.70	60.65	61.27
Dec	61.30	61.90	61.20	61.70
Feb	61.00	61.80	61.00	61.35
April	61.75	62.20	61.75	61.70

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
May	67.42	70.10	67.42	69.42
July	65.82	68.30	65.82	67.82
August	62.85	64.97	62.70	64.47
Feb	62.00	63.02	61.30	63.05
March	62.15	62.90	62.05	63.00
May	63.55	63.80	63.30	64.40
July	62.90	62.90	62.90	63.90
August	60.95	60.85	60.85	61.20

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
May	315.0	317.4	314.4	314.0
July	317.0	320.2	318.4	318.4
Sept	308.2	311.6	308.0	310.4
Dec	299.6	304.6	299.6	302.4
March	307.4	311.6	307.4	310.6
May	314.0	318.0	314.0	316.6
July	318.4	321.6	318.4	321.6

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	633.4	647.0	633.0	644.0
July	649.0	663.4	649.0	661.2
August	657.0	669.4	656.6	667.2
Sept	663.0	676.4	663.0	673.2
Nov	75.0	688.4	674.0	685.6
Jan	687.0	700.0	687.0	698.0
March	700.0	713.4	700.0	711.0
May	710.0	723.4	710.0	722.0
July	720.0	720.0	720.0	731.4

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
May	189.2	192.1	189.1	191.5
July	190.9	194.6	190.7	193.8
August	192.3	196.0	192.3	196.5
Sept	194.7	198.0	194.5	—
Oct	197.2	199.5	196.3	199.4
Dec	201.0	204.8	201.0	204.1
Jan	202.5	206.3	202.5	206.0
March	207.2	211.0	207.0	210.9
May	213.0	214.5	213.0	214.0

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
June	49.30	50.40	49.10	50.40
July	49.67	50.70	49.55	50.47
August	47.37	48.45	47.32	48.02
Oct	43.57	44.55	43.52	44.32
Dec	44.37	45.10	44.10	44.97
Feb	46.75	47.00	46.55	46.90
April	45.67	46.25	45.67	46.10
June	47.30	47.35	47.30	47.10
July	46.70	46.70	46.70	46.70

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
May	19.28	19.55	19.26	19.37
July	19.65	19.91	19.62	19.79
August	19.86	20.10	19.80	—
Sept	20.00	20.28	20.00	20.13
Oct	20.15	20.45	20.15	20.32
Dec	20.55	20.83	20.53	20.70
Jan	20.75	21.04	20.75	20.90
March	21.30	21.30	21.05	21.26
May	21.50	21.50	21.50	21.60
July	21.90	21.90	21.85	21.90

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
May	351.0	353.4	348.4	349.4
July	363.4	366.2	361.2	362.0
Sept	372.6	376.0	371.2	372.2
Dec	386.4	390.4	385.6	387.0
March	398.0	401.4	397.2	398.6
May	402.4	406.0	402.4	403.4

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
99½	98⅛	Treasury 9¾pc '83	99½	+⅛	9.27	10.06
102	100	Exch. 13½pc '83	101⅞xd	.....	13.25	9.97
99	98	Exch. 10pc 1983	99⅞	.....	10.01	10.13
97⅛	96¼	Funding 5½pc '82-84‡‡	97	.....	5.67	9.87
101¼	99½	Exch. 11¼pc 1984	100	.....	11.15	9.95
104⅞	102½	Exchequer 14pc 1984	103¾xd	–⅛	13.49	10.21
94¼	92½	Exch. 3pc 1984	94⅝	.....	3.17	8.80
102	100⅛	Treasury 12pc 1984	102	–⅛	11.71	9.95
107	105⅛	Treasury 15pc 1985	107	–⅛	14.01	10.58
107	101½	Exch. 12pc Cnv. '85	104⅛	–¼	11.52	9.54
90⅞	88⅝	Treasury 3pc 1985	90¼xd	.....	3.30	7.95
102	99⅝	Treasury 11½pc 1985	102⅝	–⅛	11.31	10.65
102	95	Treas 8¼pc Cnv '85	97⅛	–⅛	9.03	10.09
103⅝	100	Exch. 12¼pc 1985	103⅝xd	+⅛	11.82	10.60
102	99	Exch. 11¾pc '86	102	–⅛	11.47	10.70
88½	85⅝	Treasury 3pc 1986	87xd	.....	3.45	7.86
27	26	Exch. 13pc Cv '86 (£25pd)	26	–⅛	10.45	10.27
103	100	Treasury 12pc '86	102⅞	–⅛	11.66	10.88
97½	94⅜	Treasury 8¼pc '84-86‡‡	95½	.....	8.90	10.18
112¾	103¼	Treas. 12¾pc '86 Cnv	110½	–⅛	11.09	8.45
109	105½	Exch. 14pc 1986	108xd	–⅛	12.85	10.86
107	103⅝	Exch. 13¼pc 1987	106	–⅛	12.39	10.91
84	81⅝	Exchequer 2½pc 1987	81¾	–⅛	3.05	8.13
100	95⅞	Exch 10½pc 1987	99	–⅛	10.59	10.78
99	29	Exch. 10½pc 1987A	98	–⅛	10.61	10.82
93¼	89⅛	Funding 6½pc '85-87‡‡	89¾xd	+⅛	7.24	9.64

Five to Fifteen Years

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1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	258	......	Q25c	18.3	6.0
21	16	Wankie Col. Z$1	19xd	......	Q5c	♦	15.4
28	18	Zam.Cpr.SBD0.24	22	......	—	—	—

Australians

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ✣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡† Dealt in under Rule 163(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ‡ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ∎ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ‡‡ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1982-83. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1982. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xf ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 37

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar quiet ahead of May funding

The dollar traded quietly ahead of the U.S. Treasury funding announcement for May. No significant change in U.S. interest rates is expected in the immediate future because of the funding programme, and despite a generally firm tone the dollar showed little change following central bank intervention. Market sources suggested that the Swiss National Bank, Bank of Japan, Bundesbank at the Frankfurt fixing, and possibly the Federal Reserve on behalf of the German authorities moved to prevent an upward movement by the dollar, while an unexpected addition of reserves to the banking system by the Fed depressed the U.S. currency towards the close.

Sterling suffered from profit-taking and book squaring near the end of the month, but dealers also reported some commercial demand for the pound, and good underlying sentiment.

DOLLAR — Trade-weighted index (Bank of England) 122.5 against 125.6 six months ago. The dollar has been firm during a period of extreme uncertainty about oil prices and upheaval in the EMS. U.S. interest rates have not fallen as once expected and although better money supply figures have led to renewed hopes, future trends remain obscure.

The dollar rose to DM 2,4510 from DM 2.4505 against the D-mark; but eased to FFr 7.3435 from FFr 7.3475 against the French franc; to SwFr 2.0555 from SwFr 2.0560 in terms of the Swiss franc; and to Y236.55 from Y237.50 against the Japanese yen.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. March average 1.4902. Trade-weighted index 84.2, against 84.3 at noon, 84.4 at the opening, 84.6 at the previous close, and 92.5 six months ago. Sterling has benefited from hopes that oil prices will remain stable following the latest Opec settlement, the possibility of a Conservative victory at an early general election, and an expected period of stability in domestic interest rates.

Sterling opened at $1.5705-1.5715, and traded within a range of $1.5620 to $1.5725, before closing at $1.5655-1.5665, a fall of 70 points on the day. The pound also fell to DM 4.84 from DM 3.8575; to FFr 11.50 from FFr 11.5550; to SwFr 3.2225 from SwFr 3.2375; and to Y370.75 from Y373.50.

D-MARK — Trading range against the dollar in 1983 is 2.4950 to 2.3320. March average 2.4102. Trade weighted index 129.7 against 126.5 six months ago. The D-mark has been weak against most of its EMS partners since the realignment of the system in late March, requiring frequent support to remain within agreed limits. Economic fundamentals remain in favour of the German currency however but high real U.S. interest rates and stable oil prices have also pushed the dollar and sterling higher against the D-mark.

The D-mark continued to lose ground against the dollar, being fixed yesterday in Frankfurt at DM 2.4527 from DM 2.4506 despite Bundesbank sales of $57m. The D-mark was also fixed at its floor level against the French franc. The latter was quoted at DM 33.35 up from DM 33.345 per FFr 100 and the Bundesbank sold over FFr 26m at the fixing.

BELGIAN FRANC — Trading against the dollar in 1983 is 48.67 to 45.90. March average 47.46. Trade-weighted index 94.1 against 94.6 six months ago. Emergency foreign exchange controls and heavy central bank support underlined the Belgian Government's determination not to see the franc devalued. In this they succeeded, with the EMS realignment including a franc revaluation.

There was no noticeable pressure on the Belgian franc yesterday and figures released showed that the central bank had managed to sell the equivalent of BFr 4.9bn in order to repay recent borrowings. At yesterday's fixing the dollar rose to BFr 48.9150 from BFr 48.8425 while sterling slipped to BFr 76.71 from BFr 76.75. The D-mark was firmer at DM 19.9385 per FFr 100 from DM 19.9247 and the French franc was marginally stronger at FFr 6.65 per BFr 100 from FFr 6.6460.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 27	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.3662	45.1385	+1.74	+0.53	±1.5430
Danish Krone ...	8.04412	8.04961	+0.07	−1.14	±1.6419
German D-Mark	2.21515	2.26438	+2.22	+1.01	±1.0567
French Franc ...	6.78271	6.79074	−0.03	−1.24	±1.4018
Dutch Guilder ...	2.49587	2.55184	+2.24	+1.03	±1.4941
Irish Punt	0.71705	0.716932	−0.02	−1.23	±1.6696
Italian Lira	1386.78	1347.25	−2.85	−2.85	±4.1463

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Apr. 27	£	$		£ Note Rates
Argentina Peso..	114,810-115,010	73,400-73,450	Austria	26.95-27.25
Australia Dollar..	1.7990-1.8010	1.1500-1.1505	Belgium	76.65-77.40
Brazil Cruzeiro .	689.50-692.50	440.55-442.75	Denmark	13.59-13.72
Finland Markka..	8.5010-8.5200	5.4250-5.4270	France	11.47-11.57
Greek Drachma..	129.855-133.150*	83.95-84.25	Germany	3.82½-3.86½
Hong Kong Dollar	10.77¾-10.75¼	6.8630-6.8680	Italy	2260-2290
Iran Rial	132.10*	84.65*	Japan	370-375
Kuwait Dinar (KD)	0.4555-0.4565	0.28100-0.29110	Netherlands	4.32-4.36
Luxembourg Fr..	76.50-76.60	48.85-48.87	Norway	11.08-11.18
Malaysia Dollar..	3.6075-3.6175	2.3050-2.3080	Portugal	150-180
New Zealand Dlr.	2.3670-2.3720	1.5130-1.5150	Spain	205¾-219½
Saudi Arab. Riyal	5.4040-5.4110	3.4495-3.4510	Sweden	11.69-11.79
Singapore Dollar	3.2850-3.2950	2.0995-2.1015	Switzerland	3.21-3.24
Sth. African Rand	1.7030-1.7040	1.0875-1.0880	United States	1.55¾-1.57¾
U.A.E. Dirham....	5.7510-5.7605	3.6715-3.6785	Yugoslavia	120-138

* Selling rates.

CURRENCY MOVEMENTS

Apr. 27	Bank of England Index	Morgan Guaranty Change %
Sterling	84.2	−36.6
U.S. dollar	122.5	+11.8
Canadian dollar	91.1	−17.1
Austrian schilling	120.8	+30.2
Belgian franc	94.1	−1.8
Danish kroner	83.6	−10.4
Deutsche mark	129.7	+57.5
Swiss franc	151.4	+106.9
Guilder	117.8	+25.7
French franc	70.3	−23.2
Lira	53.0	−59.3
Yen	146.4	+40.0

Based on trade weighted changes from Washington agreement December 1971. Bank of England index (base average 1975=100).

CURRENCY RATES

April 27	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.691261	0.586908
U.S. $	8½	1.08893	0.923408
Canadian $	9.46	*	1.13359
Austria Sch	3¾	18.7065	15.9288
Belgian F	10	52.9715	45.1385
Danish Kr	7½	9.43775	8.04981
D mark	4	2.65610	2.26458
Guilder	3½	2.99576	2.55184
French F	9½	7.96712	6.79074
Lira	17	1579.99	1347.25
Yen	5½	256.221	218.802
Norwgn Kr	9	7.69638	6.55712
Spanish Pta	—	147.223	125.455
Swedish Kr	8½	8.09923	6.90524
Swiss Fr	4	2.22488	1.89714
Greek Dr'ch	20½	91.1719	77.4547

* C$/SDR rate for April 26: 1.33011.

THE POUND SPOT AND FORWARD

April 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.5620-1.5725	1.5655-1.5665	0.19-0.14c pm	1.26	0.42-0.37 pm	1.01
Canada	1.9200-1.9385	1.9205-1.9215	0.24-0.14c pm	1.19	0.45-0.35 pm	0.83
Nethlnd.	4.32-4.35	4.32¼-4.33¼	2¼-1½c pm	5.54	5¾-4¾ pm	4.82
Belgium	76.45-76.90	76.50-76.60	5c pm-5 dis	—	7pm-8 dis	−0.16
Denmark	13.62½-13.70	13.65¾-13.66¾	1-2¼ore dis	−1.37	4¾-5¾ dis	−1.39
Ireland	1.2150-1.2190	1.2160-1.2170	0.55-0.69p dis	−6.11	1.42-1.62dis	−5.00
W. Ger.	3.83½-3.86	3.83½-3.84½	1¾-1½pf pm	5.08	5-4½ pm	4.95
Portugal	153-156	153-154	460-1710c dis	−84.43	735-2545dis	−42.74
Spain	212.70-213.30	213.10-213.20	175-260c dis	−12.24	485-605dis	−10.23
Italy	2281-2293	2283½-2284½	7-10lire dis	−4.46	30-33 dis	−5.52
Norway	11.10-11.17	11.11-11.12	3-4ore dis	−3.78	9¼-10¾ dis	−3.51
France	11.49-11.56½	11.49¾-11.50¾	1¾-2¾c dis	−2.35	7¾-8¾ dis	−2.87
Sweden	11.70-11.75½	11.71-11.72	¾-1¾ore dis	−0.96	2¼-2¾ dis	−0.85
Japan	370-374	370¾-371¾	1.45-1.25y pm	4.37	3.65-3.45 pm	3.83
Austria	26.95-27.20	27.03-27.08	12¾-10¾gro pm	5.24	34¾-29¾ pm	4.73
Switz.	3.21½-3.24	3.21¾-3.22¾	1¾-1¼c pm	5.58	4½-4 pm	5.27

Belgian rate is for convertible francs. Financial franc 76.70-76.80. Six-month forward dollar 0.65-0.60c pm. 12-month 0.80-0.65c pm.

THE DOLLAR SPOT AND FORWARD

April 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5620-1.5725	1.5655-1.5665	0.19-0.14c pm	1.26	0.42-0.37 pm	1.01
Ireland†	1.2865-1.2925	1.2910-1.2920	0.75-0.65c pm	6.52	1.80-1.65 pm	5.36
Canada	1.2265-1.2280	1.2270-1.2275	0.02-0.05c dis	−0.34	0.05-0.08dis	−0.21
Nethlnd.	2.7585-2.7670	2.7640-2.7660	0.97-0.87c pm	3.99	2.65-2.55 pm	3.76
Belgium	48.83-48.92	48.85-48.87	5-6½c dis	−1.41	15-18 dis	−1.35
Denmark	8.7125-8.7300	8.7175-8.7275	¾-1¼ore dis	−1.20	3.35-4.10dis	−1.71
W. Ger.	2.4425-2.4565	2.4505-2.4515	0.90-0.85pf pm	4.28	2.50-2.45 pm	4.04
Portugal	97.50-100.00	97.75-98.75	350-1250c dis	−97.71	800-1800dis	−52.93
Spain	135.70-136.25	136.15-136.25	135-175c dis	−13.69	365-415dis	−11.48
Italy	1457-1460	1458½-1459½	7½-8½lire dis	−6.58	24-25½ dis	−6.78
Norway	7.0825-7.1100	7.0925-7.1025	2.70-3.20ore dis	−4.98	7.70-8.20dis	−4.48
France	7.3410-7.3670	7.3410-7.3460	2.10-2.30c dis	−3.59	7.10-7.50dis	−3.97
Sweden	7.4725-7.4860	7.4725-7.4825	1.20-1.70ore dis	−2.32	3.15-3.65dis	−1.82
Japan	235.90-237.20	236.50-236.60	0.61-0.56y pm	2.97	1.63-1.58 pm	2.69
Austria	17.25½-17.27¾	17.26-17.27	6.10-5.30gro pm	3.96	17½-15 pm	3.76
Switz.	2.0500-2.0590	2.0550-2.0560	0.77-0.72c pm	4.35	2.25-2.20 pm	4.33

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 48.95-49.05.

EXCHANGE CROSS RATES

Apr. 27	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.566	3.840	370.8	11.498	3.223	4.333	2284.	1.921	76.55
U.S. Dollar	0.639	1.	2.452	236.7	7.342	2.058	2.767	1458.	1.227	48.88
Deutschmark	0.260	0.408	1.	96.55	2.994	0.839	1.128	594.8	0.500	19.93
Japanese Yen 1,000	2.697	4.224	10.36	1000.	31.01	8.692	11.69	6160.	5.181	206.5
French Franc 10	0.870	1.362	3.340	322.5	10.	2.803	3.768	1987.	1.671	66.58
Swiss Franc	0.310	0.486	1.192	115.1	3.568	1.	1.344	708.6	0.596	23.75
Dutch Guilder	0.231	0.361	0.886	85.57	2.654	0.744	1.	527.2	0.443	17.67
Italian Lira 1,000	0.438	0.686	1.681	162.3	5.034	1.411	1.897	1000.	0.841	33.52
Canadian Dollar	0.521	0.815	1.999	193.0	5.985	1.678	2.255	1189.	1.	39.85
Belgian Franc 100	1.306	2.046	5.016	484.3	15.02	4.210	5.660	2984.	2.509	100.

FINANCIAL FUTURES

Eurodollars quiet

Prices traded within a very narrow range in the London International Financial Futures Exchange yesterday. Activity in the Euro-dollar sector was subdued ahead of the U.S. refunding package where an estimated $13¾-14¼bn was expected. The June price opened at 90.98 up from 90.95 on initial demand but came back to 90.95, staying around this level for most of the morning. Prices received some encouragement after the opening of Chicago with good early volume seen there. June values touched a best level of 91.00 before finishing at 90.99. The firmer tone in Chicago helped to offset a slightly firmed Fed funds rate but many people were kept on the sidelines pending some clarification on Fed policy.

Sterling-based contracts traded in a very narrow range, reflecting a static cash market. The June price for short sterling traded in a two point range for the entire day, closing unchanged from Tuesday at 90.28. The market was subdued ahead of any fresh developments on interest rates either in the UK or the U.S. The other factor tending to overhang the market was the possibility of an early general election. Although quiet the undertone remained bullish with sterling still trading close to its best level this year. Gilt contracts also showed little movement with the June price opening at 105-16 up from 105-15 and closing at 105-19.

In the currency pit sterling futures continued to attract interest with some 710 lots traded during the day.

LONDON

THREE-MONTH EURODOLLAR $1m points of 100%

	Close	High	Low	Prev
June	90.99	91.00	90.95	90.95
Sept	90.72	90.74	90.67	90.67
Dec	90.46	90.47	90.42	90.42
March	90.24	90.24	90.21	90.13
June	89.94	—	—	89.93

Volume 1,930 (903)
Previous day's open int 3,706 (3,693)

THREE-MONTH STERLING DEPOSIT £250,000 points of 100%

	Close	High	Low	Prev
June	90.28	90.29	90.27	90.28
Sept	90.45	90.46	90.44	90.44
Dec	90.42	90.44	90.41	90.43
March	90.31	—	—	90.28
June	90.14	90.14	90.10	90.16

Volume 516 (792)
Previous day's open int 3,386 (3,277)

20-YEAR 12% NOTIONAL GILT £50,000 32nds of 100%

	Close	High	Low	Prev
June	105-19	105-19	105-08	105-15
Sept	106-04	106-04	104-27	105-00
Dec	107-01	107-01	106-28	107-02
March	106-30	—	—	107-02
June	—	—	—	—

Volume 1,234 (1,214)
Previous day's open int 2,737 (2,745)
Basis quote (clean cash price of 15¼% Treasury 1998 less equivalent price of near futures contract) 6 to 14 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.5635	1.5695	1.5635	1.5705
Sept	1.5606	1.5680	1.5606	1.5672
Dec	1.5605	—	—	1.5663

Volume 710 (800)
Previous day's open int 1,781 (1,704)

DEUTSCHE MARKS DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.4096	0.4105	0.4094	0.4095
Sept	0.4144	—	—	0.4143
Dec	—	—	—	—

Volume 40 (114)
Previous day's open int 410 (401)

SWISS FRANCS SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.4887	0.4889	0.4882	0.4881
Sept	0.4953	—	—	0.4947
Dec	—	—	—	—

Volume 15 (130)
Previous day's open int 418 (405)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.4233	0.4233	0.4228	0.4225
Sept	0.4265	0.4265	0.4263	0.4251
Dec	—	—	—	—

Volume 282 (108)
Previous day's open int 567 (545)

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	78-18	79-02	77-25	77-30
Sept	78-00	78-15	77-07	77-12
Dec	77-17	78-00	76-24	76-28
March	77-00	77-16	76-10	76-14
June	76-20	76-25	75-31	76-02
Sept	76-10	76-15	75-30	75-24
Dec	—	—	—	75-16
March	75-30	76-00	75-13	75-09
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev
June	91.95	92.04	91.81	91.86
Sept	91.70	91.75	91.52	91.50
Dec	91.47	91.52	91.32	91.35
March	91.29	91.31	91.16	91.17
June	91.06	91.08	90.96	90.97
Sept	90.86	90.89	90.78	90.79
Dec	90.68	90.71	90.67	90.62
March	—	90.53	90.51	90.44

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	91.44	91.49	91.25	91.30
Sept	91.10	91.16	90.91	90.94
Dec	90.78	90.83	90.64	90.65

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Latest	High	Low	Prev
June	90.86	90.90	90.68	90.72
Sept	90.60	90.64	90.42	90.43
Dec	90.31	90.34	90.16	90.18
Feb	—	—	—	—
March	90.07	90.12	89.96	89.97

STERLING (IMM) Se per £

	Latest	High	Low	Prev
June	1.5650	1.5670	1.5605	1.5655
Sept	1.5630	1.5640	1.5580	1.5625
March	—	1.5635	1.5570	1.5610
June	—	—	—	—
Sept	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	71-21	71-26	70-26	70-30
Sept	70-28	71-01	70-05	70-07
Dec	70-06	70-11	69-17	69-19
March	69-19	69-26	69-00	69-02
June	69-03	69-05	68-24	68-19
Sept	68-20	68-20	68-20	68-06
Dec	68-19	68-19	68-07	67-27
March	—	—	—	—
June	—	—	—	—
Sept	—	—	—	—
Dec	—	—	—	—

MONEY MARKETS

London rates little changed

UK clearing bank base lending rate 10 per cent (since April 15 and 18)

Interest rates showed little change in quiet London money market trading. In the interbank market three-month money was unchanged at 10 5/16-10 3/16 per cent, and seven-day at 10¼-10⅛ per cent. Overnight funds opened at 10½-10⅜ per cent, and traded around 10⅛-10¼ per cent for most of the morning, before easing to 9-10 per cent following the first batch of market intervention from the Bank of England. The small amount of help in the afternoon indicated that the market finished short however, and call money climbed to a peak of 11½ per cent, before falling away to around 9 per cent at the close.

The Bank of England forecast a shortage of £450m, but this was later revised to £500m. Exchequer transactions added £370m to market liquidity, but was outweighed by bills maturing in official hands and a take-up of the Treasury bill tender of £145m, the unwinding of repurchase agreements of £566m, and a rise in the note circulation of £70m.

Before lunch the authorities bought £413m bank bills outright at unchanged dealing rates. An amount of £93m bills were purchased in band 1 (up to 14 days maturity) at 10 1/16 per cent; £149m in band 2 (15-33 days) at 10 per cent; £62m in band 3 (34-63 days) at 9 15/16 per cent; and £109m in band 4 (64-84 days) at 9⅞ per cent.

In the afternoon the Bank of England bought another £20m bank bills by way of £2m in band 2 at 10 per cent; £8m in band 3 at 9 15/16 per cent; and £10m in band 4 at 9⅞ per cent, bringing total help for the day to £433m.

In Frankfurt call money was unchanged at 5 per cent in fairly tight conditions despite the return of funds to the market through unwinding currency repurchase agreements. In these circumstances it was hoped that the Bundesbank would not renew the liquidity draining repurchase pacts, as the market loses money through late tax payments, end of month pension payments, and continued support for the D-mark.

LONDON MONEY RATES

Apr. 27 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9-11½	10¼	—	—	10-10½	10-10¼	—	—	—
2 days notice	—	—	10¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	10¼-10⅛	10 5/16-10¼	—	—	10⅛	10-10⅛	—	—	—
One month	10⅜-10¼	10¼-10⅛	10 5/16	11-10⅝	10⅜	10½-10⅝	10	10 1/32	10 1/16	10 11/16
Two months	10¼-10⅛	10 3/16-10 1/16	10⅛	10¾-10⅝	10⅜	10⅝	9⅞	9 15/16	9 15/16	10 5/16
Three months	10⅛-10	10 3/16-10 1/16	10-10⅛	10⅝-10¼	10¼	10⅛	9¾	9 27/32-9 13/16	9 29/32	10 5/32
Six months	9 15/16-9 13/16	10 1/16-10⅛	10⅛	10⅛-9¾	10⅛	—	—	—	9 11/16	10⅛
Nine months	9 15/16-9 13/16	10 1/16-10 1/16	10	10¼-10⅛	10⅛	—	—	—	—	—
One year	10-9 15/16	10 1/16-10 1/16	10-10⅛	10⅜-10	10⅛	—	—	—	—	—
Two years	—	—	10⅝-10⅝	—	—	—	—	—	—	—

ECGD Rate Export Finance Scheme IV Average Rate for interest period March 2 to April 5 1983 (inclusive) 10.974 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 10⅞ per cent; four years 11 per cent; five years 11⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four months bank bills 9¾ per cent; four months trade bills 10⅛ per cent.

Approximate selling rate for one month Treasury bills 9 31/32-10 per cent; two months 9 15/16 per cent; and three months 9 23/32-9 11/16 per cent. Approximate selling rate for one month bank bills 10 1/32 per cent; two months 9⅞ per cent and three months 9 25/32 per cent; trade bills one month 10 7/16 per cent; two months 10 5/16 per cent and three months 10 7/32 per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 11½ per cent from April 1 1983. London and Scottish Clearing Bank Rates for lending 10 per cent. London Deposit Rates for sums at seven days' notice 6¾ per cent.

Treasury Bills: Average tender rates of discount 9.7566 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held one month 10½ per cent; one-three months 10¼ per cent; three-six months 10¼ per cent; six-12 months 10¼ per cent. Under £100,000 10 per cent from April 8. Deposits held under Series 3-5 10¼ per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES
(Market closing rates)

Apr. 27	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	10 1/16-10 3/16	10¼-10⅛	10¼-10⅛	10 1/16-10 3/16	10 1/16-10 3/16	10 1/16-10 3/16
U.S. Dollar	8½-8¾	8⅝-8⅞	8¾-9	8 15/16-9 1/16	8⅞-9⅛	9¼-9½
Can. Dollar	8¼-9¼	8¼-9¼	9-9¼	9⅛-9⅜	9¼-9½	9½-9¾
D. Guilder	4⅞-5⅛	5⅛-5¼	5 3/16-5 5/16	5¼-5⅜	5½-5⅝	5 11/16-6 1/16
S. Franc	¼-1⅛	3-3½	4 5/16-4 7/16	4⅜-4⅝	4 5/16-4 7/16	4½-4⅝
Deutschm'rk	4⅞-5	4⅞-5	4 15/16-4 13/16	4 13/16-5 1/16	5 1/16-5 3/16	5⅜-5½
Fr'nch Franc	12¼-12½	12¼-12½	12¼-12½	13-13¼	14 5/16-14 11/16	16⅜-16⅝
Italian Lira	14-15½	12⅝-14	14½-15⅜	15½-16⅜	16½-17¼	17⅜-18½
Belg. Franc.						
Conv.	10-10½	10⅛-11	10-10⅛	10-10½	10¼-10¾	10½-11
Fin.	10¼-10¾	10¼-10½	10⅛-10⅜	10⅛-10⅜	10⅛-10⅜	10⅛-10⅜
Yen	6 3/16-6 5/16	6 3/16-6 5/16	6⅛-6¼	6 3/16-6 5/16	6 7/16-6 9/16	6⅜-6½
D. Krone	11⅞-12⅜	10-10½	10⅝-11⅛	11¼-11¾	11⅝-11⅞	11¾-12¼
Asia $ (Sing.)	8¾-8⅞	8⅞-9	8 15/16-9 1/16	9 1/16-9 3/16	9 1/16-9 3/16	9⅜-9½

FT LONDON INTERBANK FIXING
11.00 a.m. APRIL 27)

3 month U.S. dollars		6 months U.S. dollars	
bid 9	offer 9 1/8	bid 9 1/8	offer 9 1/4

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	10½
Fed funds (lunch-time)	8⅝-8⅞
Treasury bills (13-week)	8.08
Treasury bills (26-week)	8.12

GERMANY

Lombard	5.0
Overnight rate	5.0
One month	5.05
Three months	5.20
Six months	5.25

FRANCE

Intervention rate	12.5
Overnight rate	12.5
One month	12.4375
Three months	12.3125
Six months	12.25

JAPAN

Discount rate	5.5
Call (unconditional)	6.21875
Bill discount (3-month)	6.65625

SWITZERLAND

Discount rate	4
Overnight rate	3½-3½
One month	5-5¼
Three months	4 21/32-4 25/32

NETHERLANDS

Discount rate	3½
Overnight rate	4½-5
One month	5⅛-5¼
Three months	5⅛-5¼
Six months	5¼-5½

$ CERTIFICATES OF DEPOSIT

One month	8.65-8.75
Three months	8.65-8.75
Six months	8.75-8.85
One year	9.05-9.25

LONG TERM EURO $

Two years	10¼-10⅜
Three years	10⅝-10⅞
Four years	11-11¼
Five years	11¼-11½

SDR LINKED DEPOSITS

One month	8 5/16-8 7/16
Three months	8 9/16-8 11/16
Six months	8 7/16-8 11/16
One year	8¾-9⅛

ECU LINKED DEPOSITS

One month	8 9/16-8 11/16
Three months	8 7/16-8 11/16
Six months	8⅞-9¼
One year	9 7/16-9 11/16